

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#); [Hochkammer, Debbie - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: WEDC Full Board Composition  
**Date:** Sunday, January 27, 2019 2:04:21 PM  
**Attachments:** [image001.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)  
[image007.png](#)  
[image008.png](#)

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Good afternoon Secretary Brennan,

I apologize for the difficulty in accessing the materials. You should have full access to all materials. This appears to be a technology issue. We will work to resolve this issue and let you know once you have full access to all materials.

Jenn

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**From:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Sent:** Sunday, January 27, 2019 1:57 PM  
**To:** Jennifer Jin; Hochkammer, Debbie - DOA  
**Subject:** RE: WEDC Full Board Composition

Jennifer –

I received the other two emails, but the link to information in the materials did not work in either email. I don't know if things are different because I am a non-voting member, but I would appreciate being able to access information about the upcoming meeting as well as the background materials. Thanks.



**JOEL BRENNAN** | Secretary  
Department of Administration  
[Joel.brennan@wisconsin.gov](mailto:Joel.brennan@wisconsin.gov)  
Phone: (608) 266-1741



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**From:** Jennifer Jin <[jennifer.jin@wedc.org](mailto:jennifer.jin@wedc.org)>  
**Sent:** Sunday, January 27, 2019 9:34 AM  
**To:** WEDC Board <[board@wedc.org](mailto:board@wedc.org)>  
**Subject:** WEDC Full Board Composition

Good Morning WEDC Board Members,

As of early this morning, WEDC received formal notification for all WEDC Board appointments. Below, please find the list of the board members and the appointing authority.

Our first board meeting is this Tuesday, January 29th from 1 to 2 pm. You should have already received two emails, one with the Board Governance Materials and the other containing the agenda and associated materials for the first meeting. If you did not receive these materials, please contact me.

Henry "Hank" Newell - Governor  
Darryl Morin - Governor  
Rebecca "Becca" Cooke - Governor  
Thelma Sias - Governor  
Joseph "Joe" Kirgues - Governor  
John Brogan - Governor  
Representative Rob Hutton- Speaker of the Assembly  
Jim Ladwig- Speaker of the Assembly  
John Peterson- Speaker of the Assembly  
Mike Kunes- Speaker of the Assembly  
Mary Williams- Speaker of the Assembly  
Senator Dan Feyen- Senate Majority Leader  
Lisa Mauer- Senate Majority Leader  
John Oathout- Senate Majority Leader  
Randy Hopper- Senate Majority Leader  
Nancy Hernandez- Senate Majority Leader  
Tim Carpenter- Senate Minority Leader  
Representative Gordon Hintz- Assembly Minority Leader  
Peter Barca- DOR Secretary  
Joel Brennan- DOA Secretary

Thanks again and please do not hesitate to reach out if you have any questions.

Jennifer Jin  
Chief Legal Officer  
Wisconsin Economic Development Corporation  
201 W. Washington Avenue  
Madison, WI 53703

Ph: 608.210.6705



Website: <http://inwisconsin.com>

Newsletters: <http://inwisconsin.com/subscribe/>



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**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Jennifer Jin shared the folder "Materials for Board" with you.  
**Date:** Sunday, January 27, 2019 3:11:49 PM  
**Attachments:** [image001.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[4. Resolution on Officer Election 1-29-2019.pdf](#)  
[6. Resolution on Appointment of CEO 1-29-2019.pdf](#)  
[Board Agenda 1-29-2019 .pdf](#)  
[5. Redlined WEDC Seventh Amended and Restated Bylaws.pdf](#)  
[5. WEDC Seventh Amended and Restated Bylaws.pdf](#)

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Secretary Brennan,

To ensure that you receive all of the documents, they will be sent in a number of different emails. this email should have 5 pdfs attached.

Please confirm receipt.

Jenn

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**From:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Sent:** Sunday, January 27, 2019 3:01:29 PM  
**To:** Jennifer Jin  
**Subject:** RE: Jennifer Jin shared the folder "Materials for Board" with you.

I am getting a message that there is a problem accessing the site because of my browser settings. I will try to have that fixed early this week but if there is any other way to get me the materials, please share them.

Thanks.



**JOEL BRENNAN** | Secretary  
Department of Administration  
[Joel.brennan@wisconsin.gov](mailto:Joel.brennan@wisconsin.gov)  
Phone: (608) 266-1741



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**From:** Jennifer Jin <[jennifer.jin@wedc.org](mailto:jennifer.jin@wedc.org)>  
**Sent:** Sunday, January 27, 2019 2:29 PM  
**To:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Subject:** Jennifer Jin shared the folder "Materials for Board" with you.

This should provide you view access to the Board Materials for the January 29, 2019



meeting. Please confirm that this link works for you.



This link only works for the direct recipients of this message.



[Materials for Board](#)

[Open](#)



**Microsoft OneDrive**

Microsoft respects your privacy. To learn more, please read our [Privacy Statement](#).  
Microsoft Corporation, One Microsoft Way, Redmond, WA 98052

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

January 29, 2019

Re: Resolution on Officer Elections

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 2 of the Bylaws requires the Board of Directors elect at its annual meeting a Chair, Vice Chair, Secretary, and Treasurer

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Lisa Mauer is elected Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Vice Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Secretary of the Board of Directors.

**RESOLVED**, \_\_\_\_\_ is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on January 29, 2019.

**Wisconsin Economic Development Corporation**

**Resolution of the Board of Directors**

January 29, 2019

Re: Resolution of Appointment of WEDC CEO

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with the quorum of the Board of directors present pursuant to WEDC's enabling statutes, Chapter 238 of the Wisconsin Statutes.

**Whereas**, Wis.Stat. § 238.02(3) empowers the Governor to nominate and with the advice and consent of the Senate appoint WEDC's CEO.

**Whereas**, Wis. Stat § 238.04(8) empowers the Board of Directors to "employ any officers, agents, and employees that it may require and determine their qualifications, duties, and compensation."

**Whereas**, Notwithstanding s. 238.02 (3), the chief executive officer of the Wisconsin Economic Development Corporation shall be appointed by the board of directors of the Wisconsin Economic Development Corporation. This subsection does not apply after September 1, 2019, per 2017 Wis. Act 369, Sec 102. Nonstatutory provisions. (2v).

**Whereas, Now, The Board of Directors Resolves:**

**Resolved**, the Board of Directors approves the WEDC CEO Appointment of Mark R. Hogan.

This resolution shall take effect immediately upon its adoption on January 29, 2019.

## **Open Meetings Notice**

The meeting of the Board of Directors for the Wisconsin Economic Development Corporation will be held on January 29, 2019 in WEDC's First Floor Conference Room, located at 201 West Washington Avenue, Madison, WI 53703. The items to be discussed are included below. Note that some members of the Board may attend by phone. Note also that the meeting may be closed under Wis. Stat. § 19.85(1) if indicated below.

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### **Agenda**

#### **Wisconsin Economic Development Corporation Meeting of the Board of Directors**

**WEDC  
First Floor Conference Room  
201 West Washington Avenue  
Madison, WI 53703**

**January 29, 2019  
1:00-2:00 pm**

1. Call to Order and Roll Call
2. Chair Introduction
3. Introductions
4. Vote on Officer Elections
5. Review and Vote on the Seventh Amended and Restated Bylaws
6. Vote on CEO
7. Approval of Minutes from the November 20, 2018 and December 12, 2018 Meetings
8. Review Update to the Awards Administration Committee Charter
9. Review and Vote on Responses to the Legislative Audit Bureau Wis. Stat §13.94(1)(u) EITMZ Evaluation
10. Review Electronics and Information Technology Manufacturing Zone Program Procedures
11. Adjournment

**Wisconsin Economic Development Corporation**

**Resolution of the Board of Directors**

**January 29, 2019**

Re: Resolution on Seventh Amended & Restated Bylaws

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, § 238.04(1) of the Wisconsin Statutes permits the Board of Directors to adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and the conduct of its business.

WHEREAS, Now, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, the Seventh Amended and Restated Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Seventh Amended and Restated Bylaws of the Corporation.

RESOLVED, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on **January 29, 2019**.

# WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

## ~~SIXTH~~ SEVENTH AMENDED & RESTATED BYLAWS

Effective ~~July 13~~ December 16, 201~~8~~7

### ARTICLE I

#### Purposes of the Corporation

The purposes of Wisconsin Economic Development Corporation, a public body corporate and politic (the “Corporation”), shall be as set forth in Chapter 238 of the Wisconsin Statutes (the “Authorizing Statute”). These Bylaws specify various matters affecting the operations and governance of the Corporation.

### ARTICLE II

#### Members

The Corporation shall have no members but shall be managed by its Board of Directors as set forth in Article III of these Bylaws and the Authorizing Statute.

### ARTICLE III

#### Directors

Section 1. Powers. Subject to the limitations of the Authorizing Statute and these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors.

Section 2. Number, Qualification & Term.

(a) Until September 1, 2019, Tthe number of Directors of the Corporation shall be ~~fourteen~~twenty, ~~twelve~~eighteen of which shall be voting and two of which shall be nonvoting. After September 1, 2019, the number of Directors of the Corporation shall be eighteen, sixteen of which shall be voting and two of which shall be nonvoting.

(b) The Governor of the State of Wisconsin (the “Governor”) shall nominate, and with the advice and consent of the Wisconsin Senate (the “Senate”), appoint six Directors of the Corporation (each a “Governor Appointed Director” and collectively, the “Governor Appointed Directors”). The Governor Appointed Directors shall serve at the pleasure of the Governor. ~~The Governor Appointed Directors shall serve staggered four year terms~~ or until such Governor Appointed Director’s death or resignation.

(c) The Speaker of the Wisconsin Assembly (the “Assembly”) shall appoint ~~three~~four Directors of the Corporation (each a “Speaker Appointed Director” and collectively, the “Speaker Appointed Directors”). The Speaker Appointed Directors shall consist of no more than two members of the legislature; one Representative to the Assembly from the Speaker’s party; one Representative to the Assembly from the minority party (or, if there is more than one minority party, then from the largest party other than the Speaker’s party); and one person who is not directly employed by a governmental agency or authority. Each of the Representatives who shall serve as Speaker Appointed Directors shall be chosen in the same manner in which Representatives of the Assembly are appointed to standing committees in the Assembly. The

Speaker Appointed Directors shall serve ~~at the pleasure of the Speaker of the Assembly~~four-year staggered terms or until such Speaker Appointed Director's death or resignation~~, except that the Speaker Appointed Director who is a Representative in the minority party in the Assembly shall serve at the pleasure of the Minority Leader of the Assembly or until such Director's death or resignation.~~ The Speaker may also appoint one additional Director to serve one term that expires on September 1, 2019.

(d) The minority leader of the Assembly shall appoint one Director of the Corporation ("Assembly Minority Appointed Director") to serve a 4-year term or until such Assembly Minority Appointed Director's death or resignation.

(e) The Majority Leader of the Senate shall appoint ~~three~~four Directors of the Corporation (each a "Majority Leader Appointed Director" and collectively, the "Majority Leader Appointed Directors"). The Majority Leader Appointed Directors shall consist of no more than two members of the legislature: one Wisconsin state Senator from the Majority Leader's party; one Wisconsin state Senator from the minority party (or, if there is more than one minority party, then from the largest party other than the Majority Leader's party); and one person who is not directly employed by a governmental agency or authority. Each of the Wisconsin state Senators who serve as Directors shall be chosen in the same manner in which Wisconsin state Senators are appointed to standing committees in the Senate. The Majority Leader Appointed Directors shall serve four-year staggered terms at the pleasure of the Majority Leader of the Senate or until such Majority Leader Appointed Director's death or resignation~~, except that the Majority Leader Appointed Director who is a Senator in the minority party in the Senate shall serve at the pleasure of the Minority Leader of the Senate or until such Director's death or resignation.~~ The Majority Leader may also appoint one additional Director to serve one term that expires on September 1, 2019.

~~(e)~~(f) The minority leader of the Senate shall appoint one Director of the Corporation ("Senate Minority Appointed Director") to serve a 4-year term or until such Director's death or resignation.

~~(f)~~(g) The Secretary of Administration for the State of Wisconsin and the Secretary of Revenue for the State of Wisconsin shall each serve as nonvoting Directors of the Corporation, commencing on the date of each Secretary's term and terminating when each Director no longer serves as a Secretary of the departments set forth herein, at which time the succeeding Secretary shall become a non-voting Director.

Section 3. Resignation. A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary of the Corporation, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. This section shall not apply to the Secretary of Administration, or the Secretary of Revenue, who may not resign from the Corporation so long as he or she holds the office giving rise to his or her position as a Director of the Corporation. In the event one of the public officials who serves as a Director by virtue of holding such office (i.e., Representative, Senator, Secretary of Administration, or Secretary of Revenue) ceases to serve in the public office that gave rise to his or her appointment as a Director of the Corporation, such public official shall be deemed to

tender his or her resignation when he or she is no longer serving in the public office that gave rise to his or her appointment. For example, if a Speaker Appointed Director who is a Representative ceases to be a Representative, that Speaker Appointed Director shall be deemed to have resigned.

Section 4. Removal. Any Governor Appointed Director may be removed from office at any time, with or without cause, by the Governor. ~~Any Speaker Appointed Director may be removed from office, at any time, with or without cause, by the Speaker. Any Majority Leader Appointed Director may be removed from office at any time, with or without cause, by the Majority Leader.~~

Section 5. Vacancies. A vacancy or vacancies in the Board of Directors occurring for any reason may be filled by the individual who has the authority to appoint a Director to the vacated seat, under the same terms and provisions as set forth in this ARTICLE III. Each Director so appointed shall hold office until such Director's successor is ~~elected and qualified~~dually appointed, or until such Director's death, resignation or removal.

Section 6. Meetings.

(a) Annual Meeting. A regular meeting of the Board of Directors, designated as the annual meeting, shall be held each year at such time and place as may be designated by the Chairperson of the Corporation, or by any Vice Chairperson if the Chairperson is unable to act, for the election of officers and the transaction of such other business as may properly come before the meeting. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year, the meeting, upon waiver of notice or upon due notice, may be held at a later date.

(b) Other Regular Meetings. Other regular meetings of the Board of Directors of the Corporation may be held at such regularly recurring time and place as the Board of Directors may designate.

(c) Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be held whenever called by the CEO of the Corporation (as defined below), by a majority of the Directors, or by the Chairperson of the Corporation or if the Chairperson is absent or is unable or refuses to act, by any Vice Chairperson.

(d) Open Meetings. All meetings of the Board of Directors shall be held in compliance with Wisconsin's Open Meetings Law, Wis. Stats. §§ 19.81-98.

Section 7. Notices. Except as otherwise provided in these Bylaws, notice of any meeting of the Board of Directors, in each case specifying the place, date and hour of the meeting, shall be given to each Director by written notice delivered in person, by electronic mail, or by mail or private carrier, not more than sixty days prior to the date of the meeting, but at least twenty-four hours before the time set for such meeting or, if notification is by mail, by mailing such notice at least five days before the day set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Director at the Director's address as it appears on the records of the Corporation. Except as otherwise provided in these Bylaws, neither the business to be transacted



at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such notice of such meeting.

Section 8. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, a written waiver of notice of the meeting, containing the same information as would have been required to be included in a proper notice of the meeting, is signed by (a) each Director not present at the meeting and (b) each Director present at the meeting who objected to the transaction of any business because the meeting was not lawfully called or convened. All such waivers shall be filed with and made a part of the minutes of the meeting. Notwithstanding anything contained in this Section, no Director or Directors have the authority to waive any requirements pursuant to Wisconsin's open meetings law.

Section 9. Quorum; Action of Directors. A majority of the number of ~~voting-~~  
~~appointed~~ Directors ~~appointed to and currently~~ serving as Directors of the Corporation pursuant to these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the ~~appointed~~ Directors present at a meeting at which a quorum is present shall be the act or decision of the Board of Directors, unless the act of a greater proportion is required by law, ~~the~~  
~~Authorizing Statute or these Bylaws~~. The voting on all questions at a meeting shall be by voice vote, unless a Director requests a roll call vote, in which case each Director's vote shall be reflected in the meeting minutes.

Section 10. Adjournment. Any meeting of the Board of Directors, whether regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

Section 11. Organization. The Chairperson of the Corporation, or in the absence of the Chairperson, the Vice-Chairperson, shall act as chair at every meeting of the Board of Directors. The Secretary of the Corporation, or in the absence of the Secretary, any person appointed by the chairperson of the meeting, shall act as Secretary of the meeting.

Section 12. Methods of Conducting Meetings. Directors may participate in any regular or special meeting or in any meeting of a committee of Directors by any means of communication by which either (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is conducted through the use of one of the foregoing means, all participating Directors must be informed that a meeting is taking place at which official business may be transacted. A Director participating in such a meeting is deemed to be present in person at the meeting. If requested by any Director, minutes of the meeting shall be prepared and distributed to each Director.

Section 13. Compensation. The Directors shall not receive compensation for their service on the Board of Directors; provided, however, that Directors of the Corporation shall be entitled to reimbursement of necessary expenses, including travel expenses.

Section 14. Committees. The Board of Directors or the Chairperson of the Board may authorize the creation of any standing and/or temporary committees to consider appropriate matters, make reports to the Chairperson and/or Board of Directors, and fulfill such other advisory and decision making functions as may be designated. The Board of Directors or the Chairperson of the Board may appoint or remove committee members (whether or not the committee member is a Director). The designation of such standing and/or temporary committees, and the committee members thereof, shall be recorded in the minutes of the Board of Directors at the immediately following meeting.

## **ARTICLE IV**

### **Officers**

Section 1. Officers. The Corporation shall have a CEO, a Chairperson, one or more Vice Chairpersons, a Secretary, a Treasurer and such other officers or assistant officers as the Directors may from time to time elect. The Chairperson shall be a Director employed in the private sector. Any two or more of said offices may be held by the same person, except that (a) no person may serve as CEO and any one of the other offices; (b) the offices of Chairperson and Secretary may not be held by the same person; and (c) the offices of Chairperson and Vice Chairperson may not be held by the same person.

Section 2. Election. Other than the office of CEO, the officers of the Corporation shall be chosen annually by the Board of Directors at its annual meeting, and each officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal as either an officer or as a Director. Election or appointment as an officer shall not of itself create contract rights.

Section 3. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary or the Board of Directors as the case may be, and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. If an officer resigns as a Director of the Corporation, it shall be deemed a resignation as an officer as well.

Section 4. Removal. Until September 1, 2019, Any officer ~~other than the CEO,~~ may be removed from office by the action of the Board of Directors, whenever in its judgment the best interests of the Corporation will be served thereby, without prejudice to the contract rights, if any, of the officer so removed. After September 1, 2019, only the Governor can remove the CEO.

Section 5. Vacancies. Until September 1, 2019, aA vacancy occurring in any office ~~other than the office of CEO,~~ for any reason, may be filled for the unexpired portion of the term of said office by the Board of Directors. After September 1, 2019, a vacancy in the office of CEO shall be filled in accordance with Section 10(a) of this ARTICLE IV by appointment of the Governor.

Section 6. Chairperson. The Chairperson shall have such duties, responsibilities and powers as may be necessary to carry out the directions and policies of the Board of Directors or as are prescribed in these Bylaws or otherwise delegated by the Board of

Directors and shall at all times be subject to the policies, control and direction of the Board of Directors. The Chairperson shall preside at all meetings of the Corporation. The Chairperson shall have authority, subject to the rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document consistent with the foregoing general delegation of authority or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation.

Notwithstanding the foregoing, neither the Chairperson nor any other officer other than the CEO may sign any deed or instrument of conveyance or endorse any security or execute any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness without the specific authority of the Board of Directors pursuant to ARTICLE V below of these Bylaws dealing with such matters. The Chairperson shall, whenever it may in the Chairperson's opinion be necessary, prescribe the duties of other officers and employees of the Corporation, in a manner not inconsistent with the provisions of these Bylaws and the directions of the Board of Directors.

Section 7. Vice Chairpersons. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. If at any such time the Corporation has more than one Vice Chairperson, the duties and powers of the Chairperson shall pass to the Vice Chairpersons in order of their rank as fixed by the Board of Directors, or if they are not so ranked, to the Vice Chairperson designated by the Board of Directors. The Vice Chairpersons shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors, or these Bylaws.

Section 8. Secretary. The Secretary shall perform, or have performed under the Secretary's direction, the following functions:

(a) Certify and keep at the principal office of the Corporation a copy of the Authorizing Statute and an original or copy of these Bylaws, as amended or otherwise altered to date.

(b) Keep at the principal office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings of the Board of Directors and committees thereof, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, and the names of those present at the meetings.

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(d) Be custodian of the records and of the seal of the Corporation, if any, and see that it is engraved, lithographed, printed, stamped, impressed upon, or affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

(e) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.

(f) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall perform, or have performed under the Treasurer's direction, the following functions:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositaries as shall be selected by the Board of Directors.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

(c) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.

(d) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

Section 10. Chief Executive Officer.

(a) Appointment Process. Until September 1, 2019, the Chief Executive Officer of the Corporation (the "CEO") shall be appointed by the Board of Directors of the Corporation. After September 1, 2019, the Governor shall nominate, and, with the advice and consent of the Senate, appoint, the Chief Executive Officer of the Corporation (the "CEO"), to serve at the pleasure of the Governor. For avoidance of doubt, when a new Governor takes office, the CEO shall remain as CEO of the Corporation unless and until the CEO is removed. The CEO may resign at any time by filing his or her written resignation with the Secretary of the Corporation. If the office of CEO is vacant, the COO may exercise all powers and duties of the CEO as otherwise assigned by these Bylaws, the Authorizing Statute, or the Board of Directors.

(b) Authority of CEO.

(1) *General Authority.* The Board of Directors may delegate to the CEO or other WEDC employee any powers and duties the Board of Directors deems necessary, appropriate, or proper. The powers and duties delegated here are subject to the Board reserving for itself – through the Board or a Committee of the Board – the delineated power or duty.

(2) *Execution of Documents for Administration of the Corporation.* The CEO shall have authority (or delegate authority), subject to rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document the CEO deems necessary, appropriate, or proper in the day-to-day management of the Corporation, or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly

delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. For the avoidance of doubt, this subsection conveys to the CEO the authority to execute documents, contracts, and other instruments required for the day-to-day operation of the Corporation, including all day-to-day purchases by the CEO (or his or her delegate) that are deemed necessary or appropriate for the efficient functioning of the Corporation. The CEO may execute, or may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (other than bonds) without the specific authority of the Board of Directors, provided that such checks, draft, or indebtedness is in furtherance of the operation of the Corporation or is otherwise authorized by the Authorizing Statute. Nothing in this subsection, or anywhere else in these Bylaws, shall be deemed to convey to the CEO the authority to incur debt on behalf of the Corporation unless such debt is specifically set forth in a budget approved by the Board of Directors or is otherwise in the ordinary course of business.

(3) *Execution of Documents Related to Economic Development Programs.* In furtherance of the Corporation's mission to foster economic development (as defined in Wis. Stat. § 238.01(3)) within the State of Wisconsin, the CEO may execute (or delegate authority to execute) contracts or other documents related to the Corporation's economic development programming, including loans, grants, and/or tax credits. The CEO shall provide reports to the Board of Directors conveying the amount of any loans, grants, and/or tax credits, broken down by organization or entity to which those funds are allocated. The Board of Directors must approve ~~the designation of an~~ enterprise zone (as designated by the Corporation from time to time) and the amount and type of tax credits allocated to such enterprise zone.

(4) *Acceptance of Gifts from Private Sources.* Only the CEO may accept gifts, contributions, donations, and bequests from private sources (collectively "gifts") for the benefit of the Corporation. However, the CEO's authority under this subsection is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights, or indebtedness.

(5) *Acceptance of Grants, and Gifts from Public Sources.* Only the CEO may accept grants from public and private sources, and gifts, contributions, donations, and bequests from public sources (collectively "gifts") for the benefit of the Corporation.

(6) *Budget.* The CEO may establish (or delegate the establishment of) the Corporation's budget, and may monitor (or delegate

the monitoring of) the Corporation's fiscal management.

(7) *Employment Matters.* The CEO may (or may delegate authority to), from time to time, employ any officers, agents, and/or employees that the CEO deems necessary or appropriate to fulfill the Corporation's needs, and the CEO may determine those officers', agents', and/or employees' qualifications, duties, compensation, and benefits. The CEO may also establish and enforce the Corporation's personnel and human resources policies and procedures.

(8) *Bonding Authority.* The CEO may, from time to time, issue (or delegate the authority to issue) bonds on behalf of the Corporation but only after obtaining the approval by the Board of Directors.

(9) *Separate Corporation.* Upon approval by the Board of Directors and as authorized by the appropriate organizational documents, the CEO may create and manage (or delegate authority to create and manage) a corporation organized under chapter 181 of the Wisconsin Statutes for the benefit of the Corporation. Such management shall include the authority to exercise the powers reserved to the Corporation under the separate corporation's organizational documents.

(10) *Procuring Insurance.* The CEO may procure (or delegate authority to procure) any insurance the CEO deems necessary, appropriate, or proper for management of the Corporation.

Section 11. Compensation. The salary of the CEO shall be fixed from time to time by the Board of Directors or a duly authorized committee thereof. Salaries of other principal officers and personnel shall be fixed from time to time by the CEO or by a duly authorized committee of the Board of Directors and shall be consistent with policies determined by the Board of Directors.

## **ARTICLE V**

### **Instruments; Bank Accounts; Checks and Drafts; Loans; Securities**

Section 1. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other requirements as set forth herein or in Board resolutions, the CEO may execute or delegate the execution, of all contracts and other instruments required for the operation of the Corporation, together with any documents necessary to issue bonds, notes, to incur other debt obligations or to provide grants (if so approved by the Board either specifically or generally) and, when necessary, shall ensure that the Corporation's seal is affixed to any such document.

Section 2. Bank Accounts. The Board of Directors or the CEO from time to time may authorize the opening and keeping of general and/or special bank accounts with such

banks, trust companies or other depositaries as may be selected by the Board or by any officer or officers, agent or agents of the Corporation.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or as otherwise set forth in these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositaries may be made without counter-signature by the CEO, Chairperson or any Vice Chairperson or the Treasurer, or by any other officer or agent of the Corporation.

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors or as otherwise provided pursuant to ARTICLE IV. Such authority may be general or confined to specific instances.

Section 5. Facsimile Signatures and Seal. The seal of the Corporation on any document referenced in this ARTICLE V may be a facsimile. The signatures of the Chairperson, Vice Chairperson, and CEO may be facsimiles.

Section 6. Signatures by Former Officers. In case any officer, who has signed or whose facsimile signature has been placed upon any document referenced in this ARTICLE V, shall have ceased to be such officer before such evidence is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue.

## **ARTICLE VI**

### **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Corporation shall Commence on the first day of July in each year and close on the next succeeding June 30.

Section 2. Corporate Seal. The seal of the Corporation shall contain the name of the Corporation and the word "Wisconsin."

Section 3. Resolutions as Severable, Superseding, and Authorizing. Unless otherwise expressly provided, if any one or more of the provisions of any resolution of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed and construed to be severable from the remaining provisions therein contained and shall in no way affect the validity of the other provisions of such resolution. Unless otherwise expressly provided, each resolution of the Corporation shall be deemed to rescind and repeal all prior resolutions, rules or other actions, or part thereof, of the Corporation in conflict with such subsequent resolution insofar (and only insofar) as such conflict exists. This provision shall not apply to conflicts between resolutions and the Bylaws of the Corporation, as such conflicts shall be resolved in accordance with ARTICLE VIII's provisions on conflict. The officers of the Corporation, attorneys, agents or employees of the Corporation shall be automatically authorized to do all acts and things required of them by any resolution of the Corporation for the full, punctual and complete performance of all of the

provisions of such resolution.

## **ARTICLE VII**

### **Indemnification**

Section 1. Indemnification for Successful Defense. The Corporation shall indemnify a Director, officer or employee to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director, officer or employee was a party because he or she is a Director, officer or employee of the Corporation.

Section 2. Other Indemnification. In cases not included under ARTICLE VII, Section 1, the Corporation shall indemnify a Director or officer against liability incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

- (a) A willful failure to deal fairly with the Corporation in connection with a matter in which the Member or officer has a material conflict of interest;
- (b) A violation of the criminal law, unless the Director or officer has reasonable cause to believe that his or her conduct was lawful or has no reasonable cause to believe that his or her conduct was unlawful;
- (c) A transaction from which the Director or officer derived an improper personal profit; or
- (d) Willful misconduct, including a violation of the ethics laws as set forth in Wis. Stat. Chapter 19 (as amended and modified from time to time) to which Directors are subject.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

Section 3. Allowance of Expenses. Within 10 days after receipt of a written request by a Director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

- (a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and
- (b) A written undertaking, executed personally or on his or her behalf, to repay the allowance (together with reasonable interest thereon) to the extent that it is ultimately determined under ARTICLE VII, Sections 1 and 2 that indemnification is not required. The undertaking under this Section shall be an unlimited general obligation of the Director or officer, and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured as determined by the Board of Directors.



Section 4. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the Director or officer and the Corporation, a decision on whether the Director or officer seeking indemnification under this ARTICLE VII shall be indemnified will be determined by one of the following means for establishing his or her right to indemnification:

(a) By a majority vote of a quorum of the Directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, then the disinterested Directors shall select by majority vote from among subsections (b) and (c), below.

(b) By independent legal counsel selected by a majority vote of a quorum of the Directors at the time parties to the same or related proceedings or, if (and only if) unable to obtain such a quorum, by a majority vote of all of the Directors, including Directors who are parties to the same or related proceedings.

(c) By a panel of three arbitrators consisting of one arbitrator selected by those Directors entitled under the previous subsection to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

Section 5. Other Rights. The indemnification provided by this ARTICLE VII shall not be deemed exclusive of any other indemnity which the Directors, or the Corporation, may lawfully grant or any other rights to which any officer, Director, employee or agent may be entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would be obligated to indemnify him or her against such liability under the provisions of this ARTICLE VII. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

## **ARTICLE VIII**

### **Amendment**

These Bylaws may be amended or amended and restated by the Board of Directors. The amendment must be approved by a vote of a majority of the appointed two-thirds-majority of the Directors present at a duly authorized meeting that fulfills the quorum requirements set forth herein. To the extent any action by the Board of Directors is inconsistent with these Bylaws, as in effect at the time of the action, but the action is taken by at least the number of Directors that would be necessary to amend the Bylaws, then such action shall be given the same effect as though the Bylaws had been temporarily amended to the extent necessary to permit the specific action to be authorized and taken by the Board of Directors.

**Wisconsin Economic Development Corporation**

**Resolution of the Board of Directors**

January 29, 2019

Re: Resolution on Seventh Amended & Restated Bylaws

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, § 238.04(1) of the Wisconsin Statutes permits the Board of Directors to adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and the conduct of its business.

WHEREAS, Now, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, the Seventh Amended and Restated Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Seventh Amended and Restated Bylaws of the Corporation.

RESOLVED, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on January 29, 2019.

# **WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

## **SEVENTH AMENDED & RESTATED BYLAWS**

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**Effective December 16, 2018**

### **ARTICLE I**

#### **Purposes of the Corporation**

The purposes of Wisconsin Economic Development Corporation, a public body corporate and politic (the “Corporation”), shall be as set forth in Chapter 238 of the Wisconsin Statutes (the “Authorizing Statute”). These Bylaws specify various matters affecting the operations and governance of the Corporation.

### **ARTICLE II**

#### **Members**

The Corporation shall have no members but shall be managed by its Board of Directors as set forth in Article III of these Bylaws and the Authorizing Statute.

### **ARTICLE III**

#### **Directors**

Section 1. Powers. Subject to the limitations of the Authorizing Statute and these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors.

Section 2. Number, Qualification & Term.

(a) Until September 1, 2019, the number of Directors of the Corporation shall be twenty, eighteen of which shall be voting and two of which shall be nonvoting. After September 1, 2019, the number of Directors of the Corporation shall be eighteen, sixteen of which shall be voting and two of which shall be nonvoting.

(b) The Governor of the State of Wisconsin (the “Governor”) shall nominate, and with the advice and consent of the Wisconsin Senate (the “Senate”), appoint six Directors of the Corporation (each a “Governor Appointed Director” and collectively, the “Governor Appointed Directors”). The Governor Appointed Directors shall serve at the pleasure of the Governor or until such Governor Appointed Director’s death or resignation.

(c) The Speaker of the Wisconsin Assembly (the “Assembly”) shall appoint four Directors of the Corporation (each a “Speaker Appointed Director” and collectively, the “Speaker Appointed Directors”). The Speaker Appointed Directors shall consist of no more than two members of the legislature. The Speaker Appointed Directors shall serve four-year staggered terms or until such Speaker Appointed Director’s death or resignation. The Speaker may also appoint one additional Director to serve one term that expires on September 1, 2019.

(d) The minority leader of the Assembly shall appoint one Director of the Corporation (“Assembly Minority Appointed Director”) to serve a 4-year term or until such Assembly Minority Appointed Director’s death or resignation.

(e) The Majority Leader of the Senate shall appoint four Directors of the Corporation (each a “Majority Leader Appointed Director” and collectively, the “Majority Leader Appointed Directors”). The Majority Leader Appointed Directors shall consist of no more than two members of the legislature. The Majority Leader Appointed Directors shall serve four-year staggered terms or until such Majority Leader Appointed Director’s death or resignation. The Majority Leader may also appoint one additional Director to serve one term that expires on September 1, 2019.

(f) The minority leader of the Senate shall appoint one Director of the Corporation (“Senate Minority Appointed Director”) to serve a 4-year term or until such Director’s death or resignation.

(g) The Secretary of Administration for the State of Wisconsin and the Secretary of Revenue for the State of Wisconsin shall each serve as nonvoting Directors of the Corporation, commencing on the date of each Secretary’s term and terminating when each Director no longer serves as a Secretary of the departments set forth herein, at which time the succeeding Secretary shall become a non-voting Director.

Section 3. Resignation. A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary of the Corporation, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. This section shall not apply to the Secretary of Administration, or the Secretary of Revenue, who may not resign from the Corporation so long as he or she holds the office giving rise to his or her position as a Director of the Corporation. In the event one of the public officials who serves as a Director by virtue of holding such office (i.e., Representative, Senator, Secretary of Administration, or Secretary of Revenue) ceases to serve in the public office that gave rise to his or her appointment as a Director of the Corporation, such public official shall be deemed to tender his or her resignation when he or she is no longer serving in the public office that gave rise to his or her appointment. For example, if a Speaker Appointed Director who is a Representative ceases to be a Representative, that Speaker Appointed Director shall be deemed to have resigned.

Section 4. Removal. Any Governor Appointed Director may be removed from office at any time, with or without cause, by the Governor.

Section 5. Vacancies. A vacancy or vacancies in the Board of Directors occurring for any reason may be filled by the individual who has the authority to appoint a Director to the vacated seat, under the same terms and provisions as set forth in this ARTICLE III. Each Director so appointed shall hold office until such Director’s successor is duly appointed, or until such Director’s death, resignation or removal.

Section 6. Meetings.

(a) Annual Meeting. A regular meeting of the Board of Directors, designated as the annual meeting, shall be held each year at such time and place as may be designated by the Chairperson of the Corporation, or by any Vice Chairperson if the Chairperson is unable to act,

for the election of officers and the transaction of such other business as may properly come before the meeting. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year, the meeting, upon waiver of notice or upon due notice, may be held at a later date.

(b) Other Regular Meetings. Other regular meetings of the Board of Directors of the Corporation may be held at such regularly recurring time and place as the Board of Directors may designate.

(c) Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be held whenever called by the CEO of the Corporation (as defined below), by a majority of the Directors, or by the Chairperson of the Corporation or if the Chairperson is absent or is unable or refuses to act, by any Vice Chairperson.

(d) Open Meetings. All meetings of the Board of Directors shall be held in compliance with Wisconsin's Open Meetings Law, Wis. Stats. §§ 19.81-98.

Section 7. Notices. Except as otherwise provided in these Bylaws, notice of any meeting of the Board of Directors, in each case specifying the place, date and hour of the meeting, shall be given to each Director by written notice delivered in person, by electronic mail, or by mail or private carrier, not more than sixty days prior to the date of the meeting, but at least twenty-four hours before the time set for such meeting or, if notification is by mail, by mailing such notice at least five days before the day set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Director at the Director's address as it appears on the records of the Corporation. Except as otherwise provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such notice of such meeting.

Section 8. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, a written waiver of notice of the meeting, containing the same information as would have been required to be included in a proper notice of the meeting, is signed by (a) each Director not present at the meeting and (b) each Director present at the meeting who objected to the transaction of any business because the meeting was not lawfully called or convened. All such waivers shall be filed with and made a part of the minutes of the meeting. Notwithstanding anything contained in this Section, no Director or Directors have the authority to waive any requirements pursuant to Wisconsin's open meetings law.

Section 9. Quorum; Action of Directors. A majority of the number of appointed Directors currently serving as Directors of the Corporation pursuant to these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the appointed Directors present at a meeting at which a quorum is present shall be the act or decision of the Board of Directors unless the act of a greater proportion is required by law. The voting on all questions at a meeting shall be by voice vote, unless a Director requests a roll call vote, in which case each Director's vote shall be reflected in the meeting minutes.

Section 10. Adjournment. Any meeting of the Board of Directors, whether

regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

Section 11. Organization. The Chairperson of the Corporation, or in the absence of the Chairperson, the Vice-Chairperson, shall act as chair at every meeting of the Board of Directors. The Secretary of the Corporation, or in the absence of the Secretary, any person appointed by the chairperson of the meeting, shall act as Secretary of the meeting.

Section 12. Methods of Conducting Meetings. Directors may participate in any regular or special meeting or in any meeting of a committee of Directors by any means of communication by which either (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is conducted through the use of one of the foregoing means, all participating Directors must be informed that a meeting is taking place at which official business may be transacted. A Director participating in such a meeting is deemed to be present in person at the meeting. If requested by any Director, minutes of the meeting shall be prepared and distributed to each Director.

Section 13. Compensation. The Directors shall not receive compensation for their service on the Board of Directors; provided, however, that Directors of the Corporation shall be entitled to reimbursement of necessary expenses, including travel expenses.

Section 14. Committees. The Board of Directors or the Chairperson of the Board may authorize the creation of any standing and/or temporary committees to consider appropriate matters, make reports to the Chairperson and/or Board of Directors, and fulfill such other advisory and decision making functions as may be designated. The Board of Directors or the Chairperson of the Board may appoint or remove committee members (whether or not the committee member is a Director). The designation of such standing and/or temporary committees, and the committee members thereof, shall be recorded in the minutes of the Board of Directors at the immediately following meeting.

## **ARTICLE IV**

### **Officers**

Section 1. Officers. The Corporation shall have a CEO, a Chairperson, one or more Vice Chairpersons, a Secretary, a Treasurer and such other officers or assistant officers as the Directors may from time to time elect. The Chairperson shall be a Director employed in the private sector. Any two or more of said offices may be held by the same person, except that (a) no person may serve as CEO and any one of the other offices; (b) the offices of Chairperson and Secretary may not be held by the same person; and (c) the offices of Chairperson and Vice Chairperson may not be held by the same person.

Section 2. Election. Other than the office of CEO, the officers of the Corporation shall be chosen annually by the Board of Directors at its annual meeting, and each officer shall hold office until such officer's successor shall have been duly elected and qualified,

or until such officer's death, resignation or removal as either an officer or as a Director. Election or appointment as an officer shall not of itself create contract rights.

Section 3. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary or the Board of Directors as the case may be, and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. If an officer resigns as a Director of the Corporation, it shall be deemed a resignation as an officer as well.

Section 4. Removal. Until September 1, 2019, any officer may be removed from office by the action of the Board of Directors, whenever in its judgment the best interests of the Corporation will be served thereby, without prejudice to the contract rights, if any, of the officer so removed. After September 1, 2019, only the Governor can remove the CEO.

Section 5. Vacancies. Until September 1, 2019, a vacancy occurring in any office, for any reason, may be filled for the unexpired portion of the term of said office by the Board of Directors. After September 1, 2019, a vacancy in the office of CEO shall be filled in accordance with Section 10(a) of ARTICLE IV by appointment of the Governor.

Section 6. Chairperson. The Chairperson shall have such duties, responsibilities and powers as may be necessary to carry out the directions and policies of the Board of Directors or as are prescribed in these Bylaws or otherwise delegated by the Board of Directors and shall at all times be subject to the policies, control and direction of the Board of Directors. The Chairperson shall preside at all meetings of the Corporation. The Chairperson shall have authority, subject to the rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document consistent with the foregoing general delegation of authority or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. Notwithstanding the foregoing, neither the Chairperson nor any other officer other than the CEO may sign any deed or instrument of conveyance or endorse any security or execute any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness without the specific authority of the Board of Directors pursuant to ARTICLE V below of these Bylaws dealing with such matters. The Chairperson shall, whenever it may in the Chairperson's opinion be necessary, prescribe the duties of other officers and employees of the Corporation, in a manner not inconsistent with the provisions of these Bylaws and the directions of the Board of Directors.

Section 7. Vice Chairpersons. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. If at any such time the Corporation has more than one Vice Chairperson, the duties and powers of the Chairperson shall pass to the Vice Chairpersons in order of their rank as fixed by the Board of Directors, or if they are not so ranked, to the Vice Chairperson designated by the Board of Directors. The Vice Chairpersons shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors, or these Bylaws.

Section 8. Secretary. The Secretary shall perform, or have performed under the Secretary's direction, the following functions:

(a) Certify and keep at the principal office of the Corporation a copy of the Authorizing Statute and an original or copy of these Bylaws, as amended or otherwise altered to date.

(b) Keep at the principal office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings of the Board of Directors and committees thereof, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, and the names of those present at the meetings.

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(d) Be custodian of the records and of the seal of the Corporation, if any, and see that it is engraved, lithographed, printed, stamped, impressed upon, or affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

(e) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.

(f) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall perform, or have performed under the Treasurer's direction, the following functions:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositaries as shall be selected by the Board of Directors.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

(c) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.

(d) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

Section 10. Chief Executive Officer.

(a) Appointment Process. Until September 1, 2019, the Chief Executive Officer of the Corporation (the "CEO") shall be appointed by the Board of Directors of the Corporation. After September 1, 2019, the Governor shall nominate and, with the advice and consent of the Senate, appoint the Chief Executive Officer of the Corporation (the "CEO"), to



serve at the pleasure of the Governor. For avoidance of doubt, when a new Governor takes office, the CEO shall remain as CEO of the Corporation unless and until the CEO is removed. The CEO may resign at any time by filing his or her written resignation with the Secretary of the Corporation. If the office of CEO is vacant, the COO may exercise all powers and duties of the CEO as otherwise assigned by these Bylaws, the Authorizing Statute, or the Board of Directors.

(b) Authority of CEO.

(1) *General Authority.* The Board of Directors may delegate to the CEO or other WEDC employee any powers and duties the Board of Directors deems necessary, appropriate, or proper. The powers and duties delegated here are subject to the Board reserving for itself – through the Board or a Committee of the Board – the delineated power or duty.

(2) *Execution of Documents for Administration of the Corporation.* The CEO shall have authority (or delegate authority), subject to rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document the CEO deems necessary, appropriate, or proper in the day-to-day management of the Corporation, or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. For the avoidance of doubt, this subsection conveys to the CEO the authority to execute documents, contracts, and other instruments required for the day-to-day operation of the Corporation, including all day-to-day purchases by the CEO (or his or her delegate) that are deemed necessary or appropriate for the efficient functioning of the Corporation. The CEO may execute, or may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (other than bonds) without the specific authority of the Board of Directors, provided that such checks, draft, or indebtedness is in furtherance of the operation of the Corporation or is otherwise authorized by the Authorizing Statute. Nothing in this subsection, or anywhere else in these Bylaws, shall be deemed to convey to the CEO the authority to incur debt on behalf of the Corporation unless such debt is specifically set forth in a budget approved by the Board of Directors or is otherwise in the ordinary course of business.

(3) *Execution of Documents Related to Economic Development Programs.* In furtherance of the Corporation's mission to foster economic development (as defined in Wis. Stat. § 238.01(3)) within the State of Wisconsin, the CEO may execute (or delegate authority to execute) contracts or other documents related to the Corporation's economic development programming, including loans, grants, and/or tax credits. The CEO shall provide reports to the Board of Directors conveying the amount of any loans, grants, and/or tax credits, broken down by

organization or entity to which those funds are allocated. The Board of Directors must approve all enterprise zones (as designated by the Corporation from time to time) and the amount and type of tax credits allocated to such enterprise zone.

(4) *Acceptance of Gifts from Private Sources.* Only the CEO may accept gifts, contributions, donations, and bequests from private sources (collectively “gifts”) for the benefit of the Corporation. However, the CEO’s authority under this subsection is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual’s immediate family) owns or controls at least 10% of the outstanding equity, voting rights, or indebtedness.

(5) *Acceptance of Grants, and Gifts from Public Sources.* Only the CEO may accept grants from public and private sources, and gifts, contributions, donations, and bequests from public sources (collectively “gifts”) for the benefit of the Corporation.

(6) *Budget.* The CEO may establish (or delegate the establishment of) the Corporation’s budget, and may monitor (or delegate the monitoring of) the Corporation’s fiscal management.

(7) *Employment Matters.* The CEO may (or may delegate authority to), from time to time, employ any officers, agents, and/or employees that the CEO deems necessary or appropriate to fulfill the Corporation’s needs, and the CEO may determine those officers’, agents’, and/or employees’ qualifications, duties, compensation, and benefits. The CEO may also establish and enforce the Corporation’s personnel and human resources policies and procedures.

(8) *Bonding Authority.* The CEO may, from time to time, issue (or delegate the authority to issue) bonds on behalf of the Corporation but only after obtaining the approval by the Board of Directors.

(9) *Separate Corporation.* Upon approval by the Board of Directors and as authorized by the appropriate organizational documents, the CEO may create and manage (or delegate authority to create and manage) a corporation organized under chapter 181 of the Wisconsin Statutes for the benefit of the Corporation. Such management shall include the authority to exercise the powers reserved to the Corporation under the separate corporation’s organizational documents.

(10) *Procuring Insurance.* The CEO may procure (or delegate authority to procure) any insurance the CEO deems necessary, appropriate, or proper for management of the Corporation.

Section 11. Compensation. The salary of the CEO shall be fixed from time to time by the Board of Directors or a duly authorized committee thereof. Salaries of other principal officers and personnel shall be fixed from time to time by the CEO or by a duly authorized committee of the Board of Directors and shall be consistent with policies determined by the Board of Directors.

**ARTICLE V**  
**Instruments; Bank Accounts; Checks**  
**and Drafts; Loans; Securities**

Section 1. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other requirements as set forth herein or in Board resolutions, the CEO may execute or delegate the execution, of all contracts and other instruments required for the operation of the Corporation, together with any documents necessary to issue bonds, notes, to incur other debt obligations or to provide grants (if so approved by the Board either specifically or generally) and, when necessary, shall ensure that the Corporation's seal is affixed to any such document.

Section 2. Bank Accounts. The Board of Directors or the CEO from time to time may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositaries as may be selected by the Board or by any officer or officers, agent or agents of the Corporation.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or as otherwise set forth in these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositaries may be made without counter-signature by the CEO, Chairperson or any Vice Chairperson or the Treasurer, or by any other officer or agent of the Corporation.

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors or as otherwise provided pursuant to ARTICLE IV. Such authority may be general or confined to specific instances.

Section 5. Facsimile Signatures and Seal. The seal of the Corporation on any document referenced in this ARTICLE V may be a facsimile. The signatures of the Chairperson, Vice Chairperson, and CEO may be facsimiles.

Section 6. Signatures by Former Officers. In case any officer, who has signed or whose facsimile signature has been placed upon any document referenced in this ARTICLE V, shall have ceased to be such officer before such evidence is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue.

## **ARTICLE VI**

### **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Corporation shall Commence on the first day of July in each year and close on the next succeeding June 30.

Section 2. Corporate Seal. The seal of the Corporation shall contain the name of the Corporation and the word "Wisconsin."

Section 3. Resolutions as Severable, Superseding, and Authorizing. Unless otherwise expressly provided, if any one or more of the provisions of any resolution of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed and construed to be severable from the remaining provisions therein contained and shall in no way affect the validity of the other provisions of such resolution. Unless otherwise expressly provided, each resolution of the Corporation shall be deemed to rescind and repeal all prior resolutions, rules or other actions, or part thereof, of the Corporation in conflict with such subsequent resolution insofar (and only insofar) as such conflict exists. This provision shall not apply to conflicts between resolutions and the Bylaws of the Corporation, as such conflicts shall be resolved in accordance with ARTICLE VIII's provisions on conflict. The officers of the Corporation, attorneys, agents or employees of the Corporation shall be automatically authorized to do all acts and things required of them by any resolution of the Corporation for the full, punctual and complete performance of all of the provisions of such resolution.

## **ARTICLE VII**

### **Indemnification**

Section 1. Indemnification for Successful Defense. The Corporation shall indemnify a Director, officer or employee to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director, officer or employee was a party because he or she is a Director, officer or employee of the Corporation.

Section 2. Other Indemnification. In cases not included under ARTICLE VII, Section 1, the Corporation shall indemnify a Director or officer against liability incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

- (a) A willful failure to deal fairly with the Corporation in connection with a matter in which the Member or officer has a material conflict of interest;
- (b) A violation of the criminal law, unless the Director or officer has reasonable cause to believe that his or her conduct was lawful or has no reasonable cause to believe that his or her conduct was unlawful;
- (c) A transaction from which the Director or officer derived an improper personal profit; or

(d) Willful misconduct, including a violation of the ethics laws as set forth in Wis. Stat. Chapter 19 (as amended and modified from time to time) to which Directors are subject.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

Section 3. Allowance of Expenses. Within 10 days after receipt of a written request by a Director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance (together with reasonable interest thereon) to the extent that it is ultimately determined under ARTICLE VII, Sections 1 and 2 that indemnification is not required. The undertaking under this Section shall be an unlimited general obligation of the Director or officer, and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured as determined by the Board of Directors.

Section 4. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the Director or officer and the Corporation, a decision on whether the Director or officer seeking indemnification under this ARTICLE VII shall be indemnified will be determined by one of the following means for establishing his or her right to indemnification:

(a) By a majority vote of a quorum of the Directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, then the disinterested Directors shall select by majority vote from among subsections (b) and (c), below.

(b) By independent legal counsel selected by a majority vote of a quorum of the Directors at the time parties to the same or related proceedings or, if (and only if) unable to obtain such a quorum, by a majority vote of all of the Directors, including Directors who are parties to the same or related proceedings.

(c) By a panel of three arbitrators consisting of one arbitrator selected by those Directors entitled under the previous subsection to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

Section 5. Other Rights. The indemnification provided by this ARTICLE VII shall not be deemed exclusive of any other indemnity which the Directors, or the Corporation, may lawfully grant or any other rights to which any officer, Director, employee or agent may be entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. Insurance. The Corporation may, but shall not be required to,

purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would be obligated to indemnify him or her against such liability under the provisions of this ARTICLE VII. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

## **ARTICLE VIII**

### **Amendment**

These Bylaws may be amended or amended and restated by the Board of Directors. The amendment must be approved by a vote of a majority of the appointed Directors present at a duly authorized meeting that fulfills the quorum requirements set forth herein. To the extent any action by the Board of Directors is inconsistent with these Bylaws, as in effect at the time of the action, but the action is taken by at least the number of Directors that would be necessary to amend the Bylaws, then such action shall be given the same effect as though the Bylaws had been temporarily amended to the extent necessary to permit the specific action to be authorized and taken by the Board of Directors.

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Jennifer Jin shared the folder "Materials for Board" with you.  
**Date:** Sunday, January 27, 2019 3:13:37 PM  
**Attachments:** [image001.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[11-20-2018 Board Closed Minutes DRAFT.pdf](#)  
[11-20-2018 Board Open Minutes DRAFT .pdf](#)  
[12-12-2018 Board Closed Minutes DRAFT.pdf](#)  
[12-12-2018 Board Open Minutes DRAFT.pdf](#)  
[8. Awards Administration Charter 1-7-2019.pdf](#)  
[8. Redlined Awards Administration Charter 1-7-2019.pdf](#)  
[C&R 0412 - Enterprise Zone Tax Credit Verification Procedure 2-1-19.pdf](#)

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This should be the second email with six attachments.

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**From:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Sent:** Sunday, January 27, 2019 3:01 PM  
**To:** Jennifer Jin  
**Subject:** RE: Jennifer Jin shared the folder "Materials for Board" with you.

I am getting a message that there is a problem accessing the site because of my browser settings. I will try to have that fixed early this week but if there is any other way to get me the materials, please share them.

Thanks.



**JOEL BRENNAN** | Secretary  
Department of Administration  
[Joel.brennan@wisconsin.gov](mailto:Joel.brennan@wisconsin.gov)  
Phone: (608) 266-1741



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**From:** Jennifer Jin <[jennifer.jin@wedc.org](mailto:jennifer.jin@wedc.org)>  
**Sent:** Sunday, January 27, 2019 2:29 PM  
**To:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Subject:** Jennifer Jin shared the folder "Materials for Board" with you.

This should provide you view access to the Board Materials for the January 29, 2019 meeting. Please confirm that this link works for you.



This link only works for the direct recipients of this message.



[Materials for Board](#)

Open



Microsoft OneDrive

Microsoft respects your privacy. To learn more, please read our [Privacy Statement](#).  
Microsoft Corporation, One Microsoft Way, Redmond, WA 98052



**Wisconsin Economic Development Corporation  
Meeting of the WEDC Board**

**WEDC  
First Floor Conference Room  
201 West Washington Avenue  
Madison, WI 53703**

**November 20, 2018  
1:00 - 4:00 P.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

**BOARD MEMBERS PRESENT IN PERSON:**

- Lisa Mauer, Rickert Industries (Chair)
- Senator Caleb Frostman
- Senator Dan Feyen
- Representative Rob Hutton
- Randy Hopper, Mountain Dog Media
- David Drury, WING Capital Group
- Secretary Rick Chandler, Department of Revenue

**BOARD MEMBERS PRESENT VIA TELECONFERENCE**

- Nancy Hernandez, ABRAZO, LLC
- Raymond Dreger, Seeds 'N Stuff Farm Market, Inc.
- Secretary Ellen Nowak, Department of Administration
- Jim Ladwig, SC Johnson

**BOARD MEMBERS EXCUSED**

- Representative Dana Wachs

## **CALL TO ORDER AND ROLL CALL**

WEDC Chair Lisa Mauer called the meeting to order at 1:00 p.m.

Lisa Mauer requested a motion to approve the minutes from the July 11, 2018, August 27, 2018, September 18, 2018, September 26, 2018, and October 25, 2018 Meetings. A motion was made by Senator Dan Feyen with a second by David Drury. The motion to approve the minutes was passed unanimously.

## **COO Report**

COO Tricia Braun presented the COO report to the Board. Tricia Braun highlighted WEDC's commitment to small businesses and communities around the state, explaining that out of the 342 financial awards WEDC provided in the past year, 98% of them were to small and medium sized businesses and communities around Wisconsin. She also noted that WEDC's strong commitment to the Veterans Talent Outreach Initiative has been recognized by "Hiring Our Heroes", the non-profit organization that hosts the transition summits at which the Wisconsin team has participated, noting they are using Wisconsin as a best practice in showcasing what the state has to offer for U.S. service members and their families as they transition to civilian life, beyond just a job.

## **Manufacturing Ready in Wisconsin**

Business and Investment Attraction Director Jela Trask and Executive Director and CEO Buckley Brinkman from the Wisconsin Center for Manufacturing & Productivity presented Manufacturing Ready in Wisconsin to the Board. Jela Trask and Buckley Brinkman provided overview and updates on supplier readiness, productivity and Industry 4.0 in the current competitive global marketplace. The presentation highlighted WEDC's commitment to the access of information for small and medium sized manufacturing businesses in Wisconsin as well as the catalysts needed to elevate competitiveness, create improvements by utilizing the Transformational Productivity Initiative (TPI), and help small and medium size manufacturers navigate their resources in favorable ways.

## **Chair Report**

Lisa Mauer presented the Chair Report to the Board. Lisa Mauer recognized multiple WEDC internal staff for receiving several awards. The awards for recognition include:

- The International Economic Development Counsel's Gold Excellence in Economic Development Award for WEDC's Think-Make-Happen Wisconsin video
- UK-based City Nation Place Awards recognizing WEDC's talent attraction marketing initiative as one of 10 finalists for "Best Communication Strategy", a global competition that attracted 100 entries from 16 countries across the globe
- Government Finance Officers Association of the United States and Canada awards WEDC for the fifth consecutive year the "Certificate of Achievement for Excellence" for the Comprehensive Annual Financial Report
- FaB Wisconsin, the state's food and beverage industry cluster, named Cate Rahmlow as one of the organization's "FaB Five" for the support that she and WEDC has provided to the organization for the development of the state's food and beverage sector

- UW-WEDC Ideadvance Lean- Start Up program was a national award of excellence finalist in the Innovation category

Lisa Mauer also recognized Tricia Braun as being awarded one of North America's Top 50 Economic Developers.

### **Board Ethics Policy**

Lisa Mauer identified that updates were made to the Board Ethics Policy. The changes were made primarily to align with changes to the WEDC Code of Ethics and Conduct.

### **CEO Report**

Secretary and CEO Mark Hogan presented the CEO Report to the Board. Mark Hogan started by addressing the Gubernatorial transition for Governor-Elect Tony Evers and identified that he would be meeting with Governor-Elect Evers as part of the transition process to discuss how WEDC operates and how it can support the new administration's economic development goals. Mark Hogan then discussed the China International Export Summit and the economic support provided by Foxconn to ten Wisconsin companies to showcase at the event pavilion.

Mark Hogan presented the Credit and Risk report to the Board. As part of the report, he provided updates for the Kestrel and Green Box collection matters.

In his WEDC in the News presentation, Mark Maley highlighted the work WEDC has been doing out in the communities, including top stories appearing in local newspapers and T.V. stations statewide.

### **CFO Report**

CFO Brian Nowicki presented, and the Board discussed, the Quarterly Financial Report from September 30<sup>th</sup>. The unassigned fund balance from this quarter reflects the excess balance at the end of the previous fiscal year from SEG funding. Brian Nowicki described the seasonality of business at WEDC, pointing to a lag between revenues and expenses within the first quarter.

### **Review and Vote on Submission of Programmatic Report under Wis. Stat. 238.07(1)**

Senior Director of Public Policy Amy Young presented, and the Board discussed, the Submission of the Programmatic Report. This plan, which must be approved by the end of the calendar year, highlights the current operating plan in place and information on how the fiscal year plan will develop.

Lisa Mauer requested a motion to approve the report. A motion was made by David Drury with a second by Randy Hopper. The motion to approve the report was passed unanimously.

### **Committee Reports**

#### **Budget and Finance Committee Report**

*The Board was provided a summary of the September 7, 2018 and October 12, 2018 meetings.*

#### **Audit Report**

*The Board was provided a summary of the November 9, 2018 meeting.*

### **AUDIT OF ANNUAL PERFORMANCE MEASUREMENT FOR WEDC AWARDS**

CFO Brian Nowicki introduced Bill Judd and Jake Lenell from Clifton Larson Allen (CLA) to present on the Audit of Annual Performance Measurement for WEDC Awards. CLA performed a sample selection of awards to “perform an adequate sample selection, and verify, through source documentation obtained directly from selected Awardees, that the information provided by the Awardee to WEDC, under both performance reports and compliance/workbook reports, is accurate and complete”. CLA presented on the process in which the awardees from FY17 were selected, source documentation to support information within the Performance Report and Compliance Workbook was requested, and documentation providing supporting information was reported to WEDC.

CLA found that 63.2% of the Awardees provided documentation with no exceptions. 3.2% had paid off the loan, withdrew from their award contract, or had their award contract revoked. 2.4% did not respond or responded but did not provide the requested information, and 31.2% reported some form of exceptions. Narrowing the population to exceptions that had a negative effect on reported outcomes, the exception rate falls to 8%. The total net effect on jobs reporting in our ARED database was a net loss of 11 jobs on 37,422 jobs verified.

Lisa Mauer requested a motion to approve the Audit of Annual Performance Measurement for WEDC Awards. Motion was made by David Drury with a second by Randy Hopper. The motion to approve Audit of Annual Performance Measurement for WEDC Awards was passed unanimously.

### **YEAR END COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

Dan Berg from Sikich presented the CAFR, Management Communications Letter, and Federal Single Audit to the Committee. Sikich issued a ‘clean opinion’ of WEDC. They did not encounter any difficulties in performing their audit, there were no disagreements with WEDC management, and there were no management issues or adjusting journal entries reported.

### **CLOSED SESSION**

Lisa Mauer requested a motion to approve entering closed session to discuss specific personnel matters. Motion was made by Senator Dan Feyen with a second by Nancy Hernandez. The motion to move to closed session was passed unanimously. All WEDC staff and attendees exited the room and reconvened upon conclusion of the closed session deliberations.

Lisa Mauer requested a motion to approve the CAFR. A motion was made by Senator Dan Feyen and David Drury. The motion to approve the CAFR was passed unanimously.

### **Awards Administration Committee**

*The Board was provided a summary of the July 9, 2018, August 23, 2018, September 18, 2018, September 25, 2018, and October 23, 2018 meetings.*

### **CLOSED SESSION**

Lisa Mauer requested a motion to approve entering closed session. Motion was made by David Drury with a second by Caleb Frostman. The motion to move to closed session was passed unanimously.

*Members of the public excused themselves for closed session.*

*See separate minutes for closed session.*

### **RESUMPTION OF OPEN MEETING**

The meeting reconvened in open session at 2:52 pm.

### **ADJOURNMENT**

Lisa Mauer requested a motion to adjourn the meeting. A motion was made by David Drury with a second by Randy Hopper. The motion to adjourn the meeting was passed unanimously. Lisa Mauer adjourned the meeting at 2:52 pm.

DRAFT

**Wisconsin Economic Development Corporation  
Teleconference of the WEDC Board**

**WEDC  
Sixth Floor Conference Room  
201 West Washington Avenue  
Madison, WI 53703**

**December 12, 2018  
10:30 - 11:30 A.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

**BOARD MEMBERS PRESENT VIA TELECONFERENCE**

- Lisa Mauer, Rickert Industries (Chair)
- Senator Caleb Frostman
- Senator Dan Feyen
- Randy Hopper, Mountain Dog Media
- David Drury, WING Capital Group
- Nancy Hernandez, ABRAZO, LLC
- Raymond Dreger, Seeds 'N Stuff Farm Market, Inc.
- Jim Ladwig, SC Johnson

**BOARD MEMBERS EXCUSED**

- Representative Dana Wachs
- Representative Rob Hutton
- Secretary Rick Chandler, Department of Revenue
- Secretary Ellen Nowak, Department of Administration

### **CALL TO ORDER AND ROLL CALL**

Lisa Mauer called the meeting to order at 10:30 a.m.

Lisa Mauer explained the process of the joint Awards Administration Committee and Board teleconference to both the Awards Administration Committee and Board members. Lisa explained the first order of business will be the approval of the first 4 awards on the AAC and Board agenda. These discussions were to be held in closed session pursuant to Wisconsin law.

### **CLOSED SESSION**

Lisa Mauer requested a motion to approve entering closed session. Motion was made by David Drury with a second by Nancy Hernandez. The motion to move to closed session was passed unanimously.

*Members of the public excused themselves for closed session.*

*See separate minutes for closed session.*

### **RESUMPTION OF OPEN MEETING**

The meeting reconvened in open session at 10:55 a.m.

### **ADJOURNMENT**

Lisa Mauer requested a motion to adjourn the meeting. A motion was made by Senator Feyen with a second by Nancy Hernandez. The motion to adjourn the meeting was passed unanimously. Lisa Mauer adjourned the meeting at 10:55 a.m.

## **AWARDS ADMINISTRATION COMMITTEE CHARTER**

### **Mission**

WEDC's Board Awards Administration Committee is charged with evaluating recommendations for and approving certain economic development awards. The committee will approve loans amounting to over \$500,000 up to \$1 million, grants amounting to over \$500,000 and up to \$2 million, tax credits (except enterprise zones which must go to the Board regardless of amount) amounting to over \$3.5 million and up to \$10 million, and, pursuant to the motion enacted by the Board of Directors on December 13, 2016, amendments to awards, for which the application was received after February 1, 2017, where jobs must be retained or created and there has been reduction in the awardee's statewide employment. The Board Awards Administration Committee will also approve WEDC exercising an option to convert a loan into an equity investment. In addition, the Board Awards Administration Committee will serve in an advisory capacity to WEDC to ensure the Awards Administration Policy in the WEDC Code of Ethics and Conduct remains up to date and is in compliance with current industry standards.

### **Authority and Responsibilities**

#### *Award Approvals*

This committee will have final approval on all award requests and award amendments that fall within its approval authority. Any award or amendment that exceeds this limit will first be presented to this committee, and then will be routed to the full Board for final approval. The Board Awards Administration Committee will also approve WEDC exercising an option to convert a loan into an equity investment.

#### *Award Charge-Off*

The committee will be notified of management's award charge-off recommendations.

#### *Program Guidelines*

The committee will review new program guidelines which will be routed to the full Board for final approval. The committee will approve substantive midyear revisions to existing program guidelines.

#### *Inform the Board*

Inform the full Board of Directors of substantive actions taken by the Board Awards Administration Committee and of issues arising at committee meetings.

### **Organization**

#### *Membership, Structure, Quorum*

The Board Awards Administration Committee shall consist of at least: two Board members, but not more than four Board members, WEDC's Chief Executive Officer, WEDC's Chief Operating Officer, WEDC's Chief Financial Officer, and at least two individuals with experience in the financial services industry or other related experience. The committee chair shall be appointed by the Board chair or elected by the committee. A quorum of any meeting of the Board Awards Administration Committee shall consist of one WEDC Board member, one outside committee member, and one WEDC staff member of the committee. Committee members may participate by teleconference. If a committee member is unable to attend a meeting, they may provide written notice designating an individual to participate in that particular meeting on their behalf. The designee may not vote on behalf of the Awards Committee member.

#### *Staff Designee*

WEDC legal counsel and administrative support will be provided at the committee meetings.

#### *Agenda, Minutes, and Reports*

The committee chair and WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting.



Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.

## AWARDS ADMINISTRATION COMMITTEE CHARTER

### **Mission**

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#### *Staff Designee*

WEDC legal counsel and administrative support will be provided at the committee meetings.

#### *Agenda, Minutes, and Reports*

The committee chair and WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting.

Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.

**From:** [Brennan, Joel - DOA](#)  
**To:** [Jennifer Jin](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** RE: Jennifer Jin shared the folder "Materials for Board" with you.  
**Date:** Sunday, January 27, 2019 3:14:00 PM  
**Attachments:** [image007.png](#)  
[image009.png](#)  
[image010.png](#)  
[image011.png](#)  
[image012.png](#)

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I received this one and the previous one as well.



**JOEL BRENNAN** | Secretary  
Department of Administration  
[Joel.brennan@wisconsin.gov](mailto:Joel.brennan@wisconsin.gov)  
Phone: (608) 266-1741  


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**From:** Jennifer Jin <jennifer.jin@wedc.org>  
**Sent:** Sunday, January 27, 2019 3:13 PM  
**To:** Brennan, Joel - DOA <joel.brennan@wisconsin.gov>  
**Cc:** Erika Julsrud <erika.julsrud@wedc.org>  
**Subject:** Re: Jennifer Jin shared the folder "Materials for Board" with you.

This should be the second email with six attachments.

---

**From:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Sent:** Sunday, January 27, 2019 3:01 PM  
**To:** Jennifer Jin  
**Subject:** RE: Jennifer Jin shared the folder "Materials for Board" with you.

I am getting a message that there is a problem accessing the site because of my browser settings. I will try to have that fixed early this week but if there is any other way to get me the materials, please share them.

Thanks.

**JOEL BRENNAN** | Secretary  
Department of Administration  
[Joel.brennan@wisconsin.gov](mailto:Joel.brennan@wisconsin.gov)  
Phone: (608) 266-1741  




---

**From:** Jennifer Jin <[jennifer.jin@wedc.org](mailto:jennifer.jin@wedc.org)>

**Sent:** Sunday, January 27, 2019 2:29 PM

**To:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>

**Subject:** Jennifer Jin shared the folder "Materials for Board" with you.

This should provide you view access to the Board Materials for the January 29, 2019 meeting. Please confirm that this link works for you.



This link only works for the direct recipients of this message.



[Materials for Board](#)

[Open](#)



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Microsoft Corporation, One Microsoft Way, Redmond, WA 98052

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Jennifer Jin shared the folder "Materials for Board" with you.  
**Date:** Sunday, January 27, 2019 3:14:35 PM  
**Attachments:** [image001.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[C&R 0412 - Enterprise Zone Tax Credit Verification Procedure 2-1-19.pdf](#)  
[Redlined C&R 0412- Enterprise Zone Tax Credit Verification Procedure 2-1-19.pdf](#)  
[9. Resolution on LAB-EITMZ Response 1-29-2019.pdf](#)  
[9.1 Board Memo LAB EITMZ 01-29-2019.pdf](#)  
[9.2 LAB EITMZ Report.pdf](#)  
[9.3 Letter from Foxconn 1-17-2019.pdf](#)

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Here is the third and final email with six attachments.

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**From:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Sent:** Sunday, January 27, 2019 3:01:29 PM  
**To:** Jennifer Jin  
**Subject:** RE: Jennifer Jin shared the folder "Materials for Board" with you.

I am getting a message that there is a problem accessing the site because of my browser settings. I will try to have that fixed early this week but if there is any other way to get me the materials, please share them.

Thanks.



**JOEL BRENNAN** | Secretary  
Department of Administration  
[Joel.brennan@wisconsin.gov](mailto:Joel.brennan@wisconsin.gov)  
Phone: (608) 266-1741



---

**From:** Jennifer Jin <[jennifer.jin@wedc.org](mailto:jennifer.jin@wedc.org)>  
**Sent:** Sunday, January 27, 2019 2:29 PM  
**To:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Subject:** Jennifer Jin shared the folder "Materials for Board" with you.

This should provide you view access to the Board Materials for the January 29, 2019 meeting. Please confirm that this link works for you.



This link only works for the direct recipients of this message.



## Materials for Board

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## WEDC PROCEDURE

C&R 0412 - Enterprise Zone Tax Credit and Electronics & Information Technology Manufacturing Zone Procedures
<b>OWNER:</b> Senior Financial Servicing Director
<b>RESPONSIBLE ROLES:</b> Senior Financial Servicing Director, Senior Financial Servicing Analyst, Financial Servicing Analyst
<b>APPLICABLE TO:</b> WEDC Staff.

### SUMMARY:

These work instructions detail the methodology and process by which Enterprise Zone tax credits are awarded and verified. The below process is a general guideline; any specific contract language will always take precedence.

This procedure is effective for the processing of all tax credit verifications for period end date 12/30/2017 and prior.

### GOVERNING SOURCE REFERENCE(S):

- Wisconsin State Statute 238.396 - Electronics and information technology manufacturing zone.
- Wisconsin State Statute 238.399 - Enterprise zone program.
- Enterprise Development Zone Program Guidelines
- Electronics and Information Technology Manufacturing Zone Program Guidelines
- Specific Award Contract Language

### DEFINITIONS:

#### Project Scope

##### Recipient

The Recipient is the entity with whom WEDC contracts and which claims the credits WEDC verifies on their Wisconsin state income taxes. The Recipient and scope of statewide employment is determined by the Recipient's Federal Employment Identification Number (FEIN).

Even if the Recipient files a combined Wisconsin tax return with other related entities, WEDC can provide tax credits to the Recipient based on their unique FEIN. If multiple related entities





are included in the project, WEDC will work with the company(ies) involved to determine their relationships, who is conducting the relevant activities, and how the award should be set up.

If there are multiple related entities that use the same FEIN to file their Wisconsin taxes, employees of all entities included under that FEIN will be counted in the statewide employment. If there are multiple related entities with different FEINs involved in the project, each entity will be defined as a claimant in the contract, and tax credits will be verified to the claimants in proportion to their eligible activity earnings.

### Project Location

An Enterprise Zone designation can be made location-specific or statewide. The base payroll spreadsheet will provide the necessary information on the Recipient's statewide employment and identify employees by facility location.

### **Tiers:**

Tier 1 include those locations which are designated as distressed by WEDC.

Tier 2 include those locations which are not designated as distressed by WEDC.

If the Enterprise Zone includes facilities in both distressed and non-distressed locations WEDC will design the entire zone as non-distressed. The applicable tier for the award will be determined based on WEDC's designations of distressed/non-distressed in effect as of the Certification Date.

### **Eligible Employees**

#### Eligible Full-Time Employee

In a Tier I Enterprise Zone:

A "Full-Time Employee": means an individual who is employed in a regular, non-seasonal job for which the annual pay is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage, and an individual in the position is offered the retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.

In a Tier II Enterprise Zone:

A "Full-Time Employee": means an individual who is employed in a regular, non-seasonal job for which the annual pay is more than thirty thousand dollars (\$30,000), and an individual in the position is offered the retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.



While there are two statutory definitions of Full-Time Employee, WEDC utilizes the above identified definition in its contracts: Wis. Stat. Sec. 238.399(1)(am)2.<sup>1</sup>

### Partial-Year Employees

“Partial-Year Employees” are those employees who only worked part of the year due to their hiring or termination dates, who would have met the Full-Time Employee definition if they had worked the full year. Partial-Year Employees whose employment was terminated during the year will have their wages earned during the period of their employment counted in the calculations, but not their hours/headcount. Partial-Year Employees who are employed as of the period end will have their wages earned during the period of their employment counted in the calculations, along with their hours/headcount.

### Eligible Wages

“Eligible Wages” considered for the calculation of tax credits are those wages up to one hundred thousand dollars (\$100,000) for each Eligible Employee and includes any commission, bonus, overtime, but not health insurance, or other benefits compensation or severance/separation payments paid to the Eligible Employee.

Eligible Wages include wages which are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage\* in a Tier I county or municipality or greater than \$30,000 in a Tier II county or municipality.

\* The amount will be determined by the federal minimum wage as of the certification date.

## **Certification Date and Baseline**

### Certification Date

“Certification Date”: means the date, designated by WEDC, on which the eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.

Tax credit Certification Dates should be set to align with the beginning of the project. Certification Dates may not precede WEDC’s sending of an application to the applicant unless a prior Certification Date is approved in writing by WEDC’s CEO and where it can be demonstrated that the Certification Date does not allow for expenditures or jobs that have already been incurred or created prior to engaging WEDC for assistance.

### Base Year

“Base Year”: means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the Certified Business is located takes effect.

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<sup>1</sup> Previous statutory language allowed for a tier at \$20,000 referred to as “Tier 20”; while this language is not currently allowed for, older contracts may have language similar to the following:

“Full-Time Position” means any permanent, non-seasonal position where an employee is required, as a condition of employment, to work at least 2,080 hours per year, including paid leave and holidays, and for which the individuals receives annual pay that is equal to at least \$20,000 and benefits that are not required by federal or state law.



The Base Year must align with the Recipients taxable year and may overlap the Certification Date. However, in no circumstances can credits be earned for job creation or job retention prior to the end of the base year period.

Example 1: Base Year Corresponds with Certification Date:

- Recipient's taxable year ends 12/31 and the Certification Date is 1/1/17.
- Recipient's taxable year beginning during the calendar year prior to the calendar year in which the Enterprise Zone takes effect will be 1/1/16-12/31/16.
- Job retention and job creation tax credit earnings and calculations will be based on employment beginning 1/1/17, the Certification date, and there will be no overlapping or gaps from the Base Year.

Example 2: Base Year Overlaps Certification Date:

- Recipient's taxable year ends 9/30 and the Certification Date is 8/1/17.
- Recipient's taxable year beginning during the calendar year prior to the calendar year in which the Enterprise Zone takes effect will be 10/1/16-9/30/17, creating an overlap between the end of the Base Year and the Certification Date.
- Job retention and job creation tax credit earnings and calculations will begin 10/1/17, the start of the Recipient's next taxable year. Capital investment, training, and supply chain tax credit earnings and calculations may begin on the Certification Date, as those calculations do not rely on the Base Year.

Example 3: Base Year Ends Prior to Certification Date:

- Recipient's taxable year ends 7/31 and the Certification Date is 9/1/17.
- Recipient's taxable year beginning during the calendar year prior to the calendar year in which the Enterprise Zone takes effect (Base Year) will be 8/1/16-7/31/17, creating a gap between the end of the Base Year and the Certification Date.
- No tax credit earnings or calculations may begin prior to the Certification Date, but because the calculations of job retention and job creation tax credits are based on comparisons with the Base Year, the Recipient may inadvertently receive benefit for job growth during the gap between the Base Year and the Certification Date.

For awards where the Certification Date is a date prior to award approval, WEDC will have the baseline information at the time of contracting and will insert the number of baseline employees into the contract. For awards where the Certification Date is a date after contracting, WEDC will require that the company submit their baseline information along with their first-year performance report and set the baseline number of employees at that time.

## **PROCEDURE DETAILS:**

### **CALCULATING INCENTIVES**

The maximum tax credit award amount for a project will be determined by calculating the maximum amount the Recipient could earn cumulatively under job creation, job retention, capital investment, supply chain, and/or training. Credits shall be calculated by using the appropriate EZ tax credit calculator, which can be obtained by contacting the Senior Servicing Analyst or Senior Financial Servicing Director, it is currently housed here: G:\ED\G DRIVE - NEW\Tax Credit Central\Verification Documents & Tools\EZ.

**C&R 0412**

**Effective Date 2/1/2019**



WEDC does not have to award the Recipient the maximum amount allowed for under the calculation, and the award amount will be based upon multiple factors (including ROI) to optimize the effectiveness of the award to the State of Wisconsin.

Once the maximum tax credit award amount for a project is determined, staff will evaluate all aspects of the project to determine which eligible activities to incent with tax credits. A project may receive tax credits for multiple eligible activities. The amount of tax credits awarded for each activity shall align with the calculations prescribed in the Statute and Program Guideline.

An Enterprise Zone may be designated for a period of up to 12 years.

### **Certification of an Enterprise Zone**

A business may qualify for an EZ certification if one of the five circumstances is met. For additional detail please see the Program Guideline.

1. Begins operations in the EZ
2. Relocates to the EZ from out of state
3. Expands operations within the EZ
4. Retains jobs in the EZ
5. The business in the EZ purchases substantially from a Wisconsin Supply Chain.

### **Earning Requirements**

#### Job Creation Tax Credits:

Job creation tax credits are calculated at a rate of up to 7% of the Creditable Wage paid to the New Full-Time Employees in the Zone

Job creation credits will be based on the lesser of either (1) the increase in the number of Full-Time Employees in the State of Wisconsin as compared to the Base Year, or (2) the increase in the number of Full-Time Employees in the Enterprise Zone as compared to the Base Year. The contract may require the Recipient to create a specific number of new jobs to be eligible for any credits.

#### Job Retention Tax Credits:

Job Retention will be based on the creditable wage in the base period. The Recipient may be eligible for an amount of up to 7% of the base period creditable wage for no more than five consecutive years. The Recipient will be required to maintain the number of eligible Full-Time Employees as defined in the contract in the Base Year to be eligible for credits. The Recipient's annual creditable wage must not fall below the Base Year creditable wage established to qualify for any retention credits.

#### Capital Investment Tax Credits

If the Significant Capital Investment is at least \$10,000,000, Capital investment tax credits are calculated at a rate of up to 10% of the Recipient's real and personal property investment. Capital Expenditures are generally defined as those which would be to lease or purchase depreciable, tangible assets such as land, buildings, software and equipment. Generally

**C&R 0412**

**Effective Date 2/1/2019**



operating lease payments are not eligible. Eligible expenditures must be made after the Certification Date.

### Training Tax Credits

Training credits are calculated at a rate of up to 100% of the Recipient's eligible training costs incurred to undertake activities to enhance an Eligible Employee's general knowledge, employability, and flexibility in the workplace; to develop skills unique to the Recipient's workplace or equipment; or to develop skills that will increase the quality of the Recipient's product.

Eligible training costs include (1) the cost of the trainer, (2) the cost of training materials, (3) the wages of the trainee while in a classroom setting, or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting. Eligible training may include: Lean training (Six Sigma), technical college courses specific to equipment or processes, or courses designed specifically for equipment/processes. Tuition reimbursement costs can be included if the degree being obtained will enhance the employee's employability or skills. Tuition reimbursement will be based on the individual classes taken vs the degree being pursued. General education courses unrelated to the industry may be excluded (such as art history or general health

courses). On the job or job shadowing costs for the trainee may be included as training expenses but not also as job creation or job retention expenses. That is; if an employee is in a job shadowing role 100% of the time and wages are claimed towards a job training credit, the wages and hours for this period may not also be claimed under a job creation or job retention credit.

Ineligible training costs include travel expenses, food, or lodging. Other ineligible training activities would include: general HR courses, general safety procedures, orientation, and routine training not project-related.

### Supply Chain Tax Credits:

Supply Chain Tax Credits are intended to incentivize the awardee for external inputs that are 1) directly responsible in the production or distribution of the output/commodity, 2) purchased from a Wisconsin Supplier, and 3) incremental to the current supply chain footprint of the awardee.

Supply chain activities involve the transformation of natural resources, raw materials, and components into a finished product that is delivered to the end customer. Supply chain is the sequence of processes involved in the production and distribution of a commodity, product, or service.

Supply chain is comprised of vendors that supply raw material, producers who convert the material into products, warehouses that store, distribution centers that deliver to the retailers, and retailers who bring the product to the ultimate user.

The Recipient may earn Supply Chain Tax Credits at a rate of up to 1% of the Eligible Supply Chain Expenditures. Eligible Supply Chain expenditures include those vendors within the State of Wisconsin which contribute directly to the manufacture, distribution or production of the



commodity, product or service. Ineligible activities or expenditures will include: The Recipient's internal costs to produce the output/commodity (e.g. payroll, benefits, insurance, financing charges, travel/lodging/expenses), charitable donations, political contributions and costs such as snow removal and landscaping. If an expense is claimed under a Capital Investment Credit, it may not also be claimed under Supply Chain.

Generally, if the recipient is not at risk for moving current operations out of state, only the incremental change in supply chain expenditures year-over-year should be considered eligible expenditures, which will require a baseline measurement at the time of application.

### **Provisions to earnings**

The below provisions represent possible language variations found in existing contracts. These provisions are not standard language and are not guaranteed to be available in future negotiations.

#### 80% Rule

As a threshold to be eligible to earning Tax Credits in a particular year, the Recipient must not have decreased the number of Existing Full-Time Employees from the base period and must meet in such year at least eighty percent (80%) of the cumulative New Full-Time Employees to be created in the Enterprise Zone, as detailed in the Disbursement Schedule exhibit of the contract. WEDC may require this threshold for any or all earnings categories.

#### Carryforward

WEDC may provide the opportunity for a company to carry-forward un-earned tax credits to be earned & verified in future years. This may be applicable for any or all earnings categories.

As long as the Recipient has met the "Minimum Cumulative New Full-Time Employees to Qualify" threshold as set forth in the Disbursement Schedule Exhibit, any unearned Tax Credits in a year may be rolled forward to be earned and verified in subsequent years.

#### Excess

WEDC may provide the opportunity for a company to carryforward tax credits earned in excess of the allocation for the given period. Excess may be limited to the same category in future years or may be available for any category

If in any fiscal year, the amount of tax credits earned exceeds the amount of such credits authorized in that category for that period, the excess earned may be carried over to the next period and added to the amount of tax credits authorized for that subsequent period. This may be applicable for any or all earnings categories.

#### Shifting

WEDC may provide the opportunity for a company to shift excess credits earned in a tax credit category to be verified in a different tax credit category within the same earnings period. This may be applicable for any or all earnings categories.

If in any period, the amount of Enterprise Zone Tax Credits earned through any tax credit category exceeds the amount of Tax Credits authorized for such tax credit category in the



period as set forth in the Disbursement Schedule Exhibit, such excess amount may be used to offset short falls in any other tax credit category during such calendar year.

## Obligations

Contractual obligations will include completing the project as contemplated by the Recipient's applications, maintaining the baseline Existing Full-Time Employees (if any), making a Significant Capital Investment (if applicable), and maintaining the Significant Capital Investment and Full-Time Employees for which the Recipient has earned credits. The length of the maintenance period may go beyond the tax credit earning period at WEDC's discretion, but the maintenance period will not be shorter than the tax credit earning period.

The obligations will not typically require the Recipient to create a specific number of jobs, as the tax credits are performance-based and determined based on the calculations and threshold requirements noted above. WEDC may add additional obligations and thresholds to earning on a case-by-case basis depending on the factors surrounding the award.

## Default Provisions and Claw-backs

Event of Default and Remedies language in the contract will reflect statutory requirements.

### SAMPLE REPORTING SCHEDULE & ALLOCATION TABLE:

Fiscal Year: 10/01 – 09/30

Certification Date: August 1, 2015

Base: 10/01/14 – 09/30/2015

Jobs to be created: 500

Eligible Period	Minimum Cumulative New Full Time			Capital			Annual Total
	Employees to Qualify	Job Creation	Job Retention	Investment	Supply Chain	Training	
08/01/2015 - 09/30/2015				\$ 1,000,000	\$ 125,000		\$ 1,125,000
10/01/2015 - 09/30/2016			\$ 500,000	\$ 1,000,000	\$ 125,000		\$ 1,625,000
10/01/2016 - 09/30/2017	50	\$ 200,000	\$ 500,000	\$ 1,000,000	\$ 125,000	\$ 90,000	\$ 1,915,000
10/01/2017 - 09/30/2018	130	\$ 200,000	\$ 500,000	\$ 1,000,000	\$ 125,000	\$ 90,000	\$ 1,915,000
10/01/2018 - 09/30/2019	200	\$ 400,000	\$ 500,000	\$ 1,000,000	\$ 125,000	\$ 80,000	\$ 2,105,000
10/01/2019 - 09/30/2020	265	\$ 400,000			\$ 125,000	\$ 80,000	\$ 605,000
10/01/2020 - 09/30/2021	335	\$ 400,000			\$ 125,000	\$ 80,000	\$ 605,000
10/01/2021 - 09/30/2022	400	\$ 400,000			\$ 125,000	\$ 80,000	\$ 605,000
<b>Total</b>		<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 500,000</b>	<b>\$ 10,500,000</b>





<b>Annual Performance Report Period Covered</b>	<b>Payroll and Verification Report Period Covered</b>	<b>Due Date</b>
August 1, 2015 – September 30, 2015	August 1, 2015 – September 30, 2015	January 1, 2016
August 1, 2015 – September 30, 2016	October 1, 2015 – September 30, 2016	January 1, 2017
August 1, 2015 – September 30, 2017	October 1, 2016 1 – September 30, 2017	January 1, 2018
August 1, 2015 – September 30, 2018	October 1, 2017 – September 30, 2018	January 1, 2019
August 1, 2015 – September 30, 2019	October 1, 2018 – September 30, 2019	January 1, 2020
August 1, 2015 – September 30, 2020	October 1, 2019 – September 30, 2020	January 1, 2021
August 1, 2015 – September 30, 2021	October 1, 2020 – September 30, 2021	January 1, 2022
August 1, 2015 – September 30, 2022	October 1, 2021 – September 30, 2022	January 1, 2023

## **WORK INSTRUCTIONS:**

### **TAX CREDIT VERIFICATION - DETERMINE ELIGIBILITY**

1. Find the executed contract and, if applicable, most recent amendment
2. Review the contract for which Full-Time Employee definition is used
3. Review the Full-Time Employee definition and/or the Job Creation section for appropriate wage tier
  - a. Tier 1 will read 150% of minimum wage (Which is currently \$22,620)
  - b. Tier 2 will read \$30,000
  - c. Tier 20 will read \$20,000
  - d. It is possible that the tier for eligible headcount and eligible creditable wage are different. In this instance, the Full-Time Employee definition is used for headcount and the wage listed under the calculating Job Creation section is used for creditable wages.
4. In the Eligibility for Tax Credits section, the contract will detail eligibility broken down by category
  - a. Look for total award amount per category
    - i. Job Creation
    - ii. Job Retention
    - iii. Training
    - iv. Supply Chain





- v. Capital Investment
  - b. Review for specific stipulations that may be listed such as:
    - i. Ability to carryforward unearned credits
    - ii. Ability to carryforward credits earned in excess of annual limit
    - iii. Ability to shift credits earned from one category to another
    - iv. The allocation table may or may not include a minimum job creation number that must be reached to be eligible for credits in one or more categories
- 5. Read the reporting schedule to verify the payroll dates required for the current submission

## REVIEWING PAYROLL FILES

Review payroll to ensure that the data is in an acceptable format with all appropriate data points

1. The Operations and Program Performance Reporting team will perform a preliminary review of the data upon the initial submission using the following guidelines:
  - a. If earning on job creation/retention payroll is required for ALL periods where job creation or job retention is earned
    - i. Payroll must be in the template format provided
    - ii. Check that:
      1. All fields are complete
      2. The company provided data for all employees employed during the period
        - a. Data provided is not just for new hires – i.e. there should be hire dates prior to the current period.
        - b. Data is included for employees that terminated during the period
      3. Hours/wages look “logical” – i.e. a variety. Not all very low or all exactly the same.
2. Payroll should be in Salesforce saved within the Performance Reporting Folder.
  - a. If payroll is not located, ask the Program Analyst (Operations and Program Reporting Team)
3. Prior to beginning the analysis, the reviewer will check the following:
  - a. Payroll must be in the excel format provided to the company
  - b. Must be for the entire reporting period (4<sup>th</sup> quarter payroll is not acceptable)
  - c. Must be actual wages and hours provided
    - i. Annual salaries, contracted rates, etc., are not acceptable
  - d. If hourly wage is not provided
    - i. Ask for clarification from the company unless employees are noted as salary
  - e. Document any clarification provided from the company by:
    - i. Saving a copy of the email to the performance report section of salesforce



- ii. Save a copy of the email in the current year verification folder in the project folder in G: Drive
- f. Current payroll template includes the following columns:
  - i. Employee ID
  - ii. Hours worked – Period
  - iii. Hourly Wage
  - iv. Period Wages
  - v. Hire Date
  - vi. Term Date
  - vii. PT/FT
  - viii. Residency (state)
  - ix. Worksite

## PAYROLL - MANUAL CALCULATIONS

How to manually calculate eligible employee headcounts and creditable wages used for Job creation & Job Retention.

At this time, the Tax Credit Calculator is not set up with any Enterprise Zone calculations. Instead, two different reviewers will complete an independent manual review of the payroll using the below instructions and a third will approve. If at any time the reviewer questions the validity of the data or discovers any discrepancies, a request for clarification from the company should be made and all responses saved in the project folder and Salesforce.

1. Initial Sorting:
  - a. Sort by employment status
    - i. Move any employees which are not listed as Full Time to the bottom of the list and highlight the entire row using red.
  - b. Residency
    - i. Any employee that does not live in Wisconsin and is designated as “remote”, “working at home”, or “sales” can be eligible. The employee must be paid out of the designated Enterprise Zone.
    - ii. This should be confirmed by the company that all wages paid to such employees are paid out of a location within the Zone.
    - iii. Confirmation should be documented in writing and saved to Salesforce and the G Drive project folder.
  - c. Sort by Hourly Wage
    - i. If hourly wage is not provided by the company, calculate the hourly wage by dividing Total Period Wages by Period Hours Worked.
    - ii. Employees must earn 150% of minimum wage at the time of contracting, currently this is \$10.875.
    - iii. Move all employees with an hourly wage < \$10.875 to the bottom of the file and highlight the entire row in red.



- d. Check for any employees with start dates after the period end date
    - i. If there is an employee with a hire date after the period, move to the bottom and highlight in red
    - ii. If an employee is listed with a start date after the start of the period but has wages listed, ask for clarification from company
    - iii. The employees highlighted in red are disqualified and there are no further calculations performed.
  - e. Sort by termination date
    - i. Move all employees with a termination on or before the last day of the period to the bottom of the sheet, but above all other ineligible employees that have been moved to the bottom and highlight in orange. These are the “Terminated Employees”.
  - f. This will leave a group of potentially eligible employees that are not highlighted; these are the “Potentially Eligible Employees”.
2. Wage Check
- a. “Days” Calculations
    - i. Calculate the number of days the employee was employed during the period.
    - ii. No calculation is needed for employees excluded and now highlighted red.
    - iii. Days calculation should be labeled as such and stored in the column right of the “Comments” column.
    - iv. Sort Terminated Employees (orange) by hire date
      - 1. For terminated employees hired *prior* to the period start date use the “Days” functions to calculate the number of days between the employee’s Termination Date and the Period Start Date.
      - 2. For the Terminated Employees hired *after* the period start date use the “Days” functions to calculate the number of days between the employee’s Termination and Start Dates.
    - v. Sort the Potentially Eligible Employees by hire date
      - 1. For employees hired *prior* to the period start date use the “Days” functions to calculate the number of days between the Period End Date and the Period Start Date.
      - 2. For the employees hired *after* the period start date use the “Days” functions to calculate the number of days between the Period End Date and the employee’s Hire Date. These are referred to as “Partial Period Employees”.
    - vi. **Days = (Days(END DATE, START DATE)+1)**
  - b. Annualized Hours
    - i. Calculate the number of hours worked in the period for all Potentially Eligible, or Terminated employees



1. Include all hours worked that are listed by employer which may include overtime.
- ii. No calculation is needed for excluded employees highlighted in red.
- iii. Hours calculation should be labeled as such and stored in the column to right of the “Days” column created in the previous step.
- iv. For contracts with the alternate Full-Time Employees definition this is only a quality check for the data; the reviewer should request clarification from the company on any unusually high hours.
- v. For contracts with the standard Full-Time Employees definition, compare the annualized hours to the contractual requirement.
  1. Any employee which does not reach the contractual requirement should be highlighted in red and disqualified; regardless of wages earned.
- vi. **Annualized Hours:  $=(\text{Period hours} / \text{Days}) \times 365$**
- c. Annualized Wage
  - i. Calculate annual wages for all partial reporting periods, Partial Period Employees and Terminated Employees.
  - ii. No calculation is needed for excluded employees highlighted in red.
  - iii. No calculation is needed for Potentially Eligible Employees who worked an entire period **and** the period is equal to 12 months.
  - iv. Annual Wage calculation should be stored in the column right of the “Annualized Hours” column.
  - v. Terminated and Potentially Eligible Employees should be sorted separately by hire date.
  - vi. All wages are to be included; only exclude severance, separation payments & any insurance benefits paid on the employees’ behalf.
  - vii. **Annualized Wage:  $=(\text{Period wages}/\text{Days}) \times 365$**
- d. Creditable Wage
  - i. Creditable wage column should be located to the right of the annualized wage column.
  - ii. Sort both Potentially Eligible Employees and Terminated Employees by annualized wages separately.
  - iii. For employees who earn >\$100K
    1. If the employee is a full-year employee and the period is equal to 12 months, the creditable wage is \$100,000 – Tier threshold
    2. For reporting periods < 12 months, Partial Period and Terminated Employees who have annualized wages >\$100K: prorate the creditable wage based on the length of employment or the period and subtract the pro-rated tier threshold.
      - a. **Prorated creditable wage  $= (100,000/365) \times \text{DAYS}$**
      - b. **Prorated Tier threshold  $=(\text{WAGE}/365) \times \text{DAYS}$**



- iv. For employees who earn <\$100K
  - 1. For full 12-month period full year employees
    - a. If annual wages  $\geq$  tier threshold, then Creditable wage = Period Wages – tier threshold
    - b. If period wages < tier threshold, then Creditable wage = Zero
  - 2. For reporting periods < 12 months, partial period and terminated employees
    - a. If Annualized wages > Tier threshold, then Creditable wage = Period Wages – Pro-rated Tier threshold
    - b. If Annualized wages < Tier threshold, then Creditable wage = Zero
- v. **Creditable wage Calculation:** Sum of all wages, including wages from both Terminated and Potentially Eligible Employees
- e. Headcount
  - i. Add a column to the right of the Creditable Wage column titled “headcount”
    - 1. For any contract with a different tier for headcount vs creditable wage
      - a. Compare the employee’s Annualized Wage to the headcount tier threshold
      - b. Enter “1” for all Potentially Eligible Employees with annualized wage  $\geq$  headcount tier wage
      - c. Enter “0” for any employee with annualized wages < headcount tier wage or a Terminated Employee and highlight in red
    - 2. For contracts where the headcount and creditable wage tier are the same:
      - a. Enter “1” for any Potentially Eligible Employee with creditable wages listed
      - b. Enter “0” for any Terminated Employee or for any Potentially Eligible Employee with Zero listed in the creditable wage column and highlight in red
  - ii. Highlight all employees who have not already been highlighted in red or orange, in yellow. These should all be at the top of your spreadsheet and should meet each of the following conditions
    - 1. Hourly wage is >\$10.875
    - 2. Full Time or have full time equivalent benefits
    - 3. Not terminated
  - iii. The count of the headcount column 1’s = the eligible headcount
- f. Exceptions



- i. Review any disqualified, non-terminated, employee for a possible exception.
- ii. A manual exception will be granted to allow an employee to be eligible when they do not meet the annual wage threshold when the company certifies that the employee was on an approved leave AND was eligible for benefits during leave.
- iii. Approved leave includes
  1. FMLA
  2. Disability
  3. Military Leave
  4. Leave of absence
- iv. If an exception is approved the reviewer should make a comment clearly indicating that an exception is granted and the reason for the exception. This should be documented in a separate column.

## CALCULATING CREDITS

How to determine the amount of credits earned – Always review contract for any specific variations. Two reviewers should each complete an independent review of all credit categories and compare for accuracy.

### 1. Job Creation

- a. Number of new employees in the period = Current period headcount – base headcount
  - i. Effective 07/01/2017 all new EZ and any amendment to an existing EZ the number of new employees is the lesser of:
    1. The number of new employees in the EZ or
    2. The number of new employees in the State
  - ii. For any EZ existing prior to 07/01/2017 without an applicable amendment, the calculation of new employees is limited to the EZ; not the state.
- b. Current period creditable wage / total current period headcount = AVG eligible wage
  - i. Tier threshold is already subtracted during the creditable wage calculation to account for pro-rating when necessary. Do not subtract the tier wage again.
  - ii. Creditable wage is only calculated using wages paid to those employees in the EZ.
- c.  $\text{AVG eligible wage (step b)} * \# \text{ New employees (step a)}$
- d. Multiply the result from step c by the creation percent, typically 7%
- e. The credit to be awarded is the lesser of:



- i. The amount determined in step D or
- ii. The amount listed in the allocation table in the contract for the current period

2. Job Retention

- a. The yearly job retention credit cannot be more than 7% of the creditable wage of the base year; the allocation table will list the maximum credit for each period.
- b. Job retention cannot be issued for more than 5 consecutive years; this does not need to begin on the certification date.
- c. In order to qualify for job retention, the number of eligible employees in the current period must be  $\geq$  than the base headcount and the current period creditable wage must be  $\geq$  than the creditable wage in the base year.

3. Job Training: Job Training credits are earned for eligible training expenses.

- a. The contract will state the rate that credits will be earned. Credits can be earned at a rate of up to 100% of eligible training expenses.
- b. See the Calculating Incentives section of this document on page 3 for more details regarding specific eligible and ineligible costs.
- c. A file must be saved clearly indicating what expenses are eligible and which are ineligible with a reason for ineligibility
- d. The credit to be awarded is the lesser of:
  - i. The eligible training amount or
  - ii. The amount listed in the allocation table in the contract for the current period

4. Capital Investment - earned for eligible capital expenses.

- a. Up to 10% of personal property and real property expenses.
- b. See the Calculating Incentives section of this document on page 3 for more details regarding specific eligible and ineligible costs
- c. A file must be saved clearly indicating what expenses are eligible and which are ineligible with a reason for ineligibility.
- d. The credit to be awarded is the lesser of:
  - i. The calculation of eligible expenses or
  - ii. The amount listed in the allocation table in the contract for the current period

5. Supply Chain – earned for expenses related to the production and distribution of a commodity, product, or service.

- a. Credits may be earned at a rate of up to 1% of eligible expenses.



- b. See the Calculating Incentives section of this document on page 3 for more detail regarding specific eligible and ineligible costs.
- c. Expenses that are claimed & eligible for a Capital Investment Credit are not eligible for a Supply Chain Credit.
- d. A file must be saved clearly indicating what expenses are eligible and which are ineligible with a reason for ineligibility.
- e. The credit to be awarded is the lesser of:
  - i. The eligible expense calculation
  - ii. The amount listed in the allocation table in the contract for the current period

## COMPLETING THE SUMMARY DOCUMENT

The summary document will be created to track the cumulative results of the verification.

1. If this is the first verification being completed
  - a. Locate the summary template
    - i. G:\ED\G DRIVE - NEW\Tax Credit Central\Verification Documents & Tools\EZ\Summary Template – EZ
  - b. Complete all fields of the template, verifying information from the contract as applicable
  - c. Any necessary comments regarding the verification should be saved in the document.
2. If this is a second or subsequent verification
  - a. Locate the previous summary completed (may be titled final comparison)
  - b. Update fields as necessary, adding results and comments from the current period.

## DRAFTING THE VERIFICATION LETTER & FORM

1. Determine what type of letter will be drafted:
2. Denial letter - If the company is not eligible to earn credits under any of their earnings categories due to failure to perform:
  - a. Prior to drafting a denial letter, consult with the Senior Financial Servicing Director to provide direction.
  - b. Located at: G:→ED→G DRIVE – NEW→Tax Credit Central→Verification Documents & Tools→ EZ
  - c. Open the EZ Denial Letter.
  - d. Cross reference the Salesforce Opportunity, EnABLE and the current Performance Report and determine the contact information.





- e. If the company was previously sent a verification form, prepare a form, updating the job numbers and entering zero credits earned for this period.
  - f. Save As and save a copy of the form to the applicable earnings period verification folder.
3. Verification Letter - If the company is eligible for any type of credits a verification form and letter need to be completed:
  - a. Located at: G:→ED→G DRIVE – NEW→Tax Credit Central→Verification Documents & Tools→ **EZ**
  - b. Open the EZ Verification Letter.
  - c. Cross reference the Salesforce Opportunity, EnABLE and the current Performance Report and determine the contact information.
  - d. Save As and save a copy of the form to the applicable earnings period verification folder
4. Verification Form – Summarizes credits earned to date and current period credits earned
  - a. If the company has received a verification previously navigate to the previous verification folder.
    - i. Find the word document for the verification form. You can use this document as a template for this period by making a copy of the form: do not save over the original document
    - ii. Add the most recent details to the form and updated all applicable dates.
    - iii. Verify that contact information is up to date.
  - b. If a verification has not been completed open a new blank copy
    - i. Go to G:→ED→G DRIVE – NEW→Tax Credit Central→Verification Documents & Tools→EZ
  - c. Compare the top half of section I to the current performance report to see if it needs to be updated.
    - i. Update the second half of Section I with current information.
    - ii. Fill in the current period tax credit amount per eligible activity.
  - d. Complete Section II
    - i. Update the Name on the bottom of the form to the name of the individual who completed the review and update the date to today's date.
  - e. Save As and save a copy of the form to the applicable earnings period verification folder as a word document.
  - f. Save a second copy of the form & letter as a PDF.

## FINAL STEPS



1. Both reviewers should update the Verification Tracking Spreadsheet with the completed date & initials under the column “First Review”.
2. A third individual should review, approve the verification and update the Verification Tracking Spreadsheet approved with initials & date. The reviewers should wait for the second approval before continuing to the next step. For directions on completing the second review see the “Second Review” section of this document.
3. Email the verification letter & form or denial to the client using the “taxcredits@WEDC.org email.
4. Upload all documents to the Performance Report folder in Salesforce
  - a. Manual Reviews
    - i. Should be labeled with the standard naming convention with document name “Manual Review 1” & “Manual Review 2”.
    - ii. All WEDC calculations should be clearly marked and labeled as such.
  - b. Summary
  - c. Verification Letter & Form or Denial Letter
5. In the Salesforce Opportunity chatter add a new message that says:

Tax Credit Verification completed for the period ending: MM/DD/YY. Verification form and letter were sent to the company and uploaded to the performance reporting folder.
6. Update EnABLE Allocation Tables
  - a. Go to the award in EnABLE
  - b. Find the eligible credit activities listed under the Award Snapshot. Click on the pencil to edit the credit activity. DO NOT “ADD NEW” ALLOCATION CATEGORY.
  - c. Each Credit Type will have an entry for each eligible period; only update the appropriate period.
    - i. Period Ending: the end of the earnings period
    - ii. Date Received: the received date of the compliance item – performance report for the period end
    - iii. Amount Verified: The Tax credits awarded for that earnings period for that specific credit type.
      - a. If shifting is used such that excess credits in one category are used to fill a gap in a different category; the allocation must be changed to match the verification.
      - b. This means that the allocation table in the contract will not match EnABLE if excess is used.



- c. Any changes should be documented in the “comments” field at the top of the allocation, indicating the original allocation, the reason for the change, where the excess was used or shifted to as well as the date of the change and name.

I.E the company is allocated to earn \$100MM in creation & \$50MM in training for a total of \$150MM.

The company earns \$75MM in creation and \$100MM in training.

In EnABLE, change the allocation in the “amount field” for creation to \$75MM and enter \$75MM as amount verified, change the allocation in the “amount field for training to \$75MM and enter \$75MM as the amount verified, for a total of \$150MM.

- iv. Waiver: N/A – Only used for DOZ’s
  - v. Date processed: The date on the verification letter or form
  - vi. Comment: For job creation or retention enter base headcount # if calculated or enter current period headcount.
  - vii. Period Investment: Only entered when the credit type is Capital Investment. Add the total eligible Capital expenditures (both real and personal) as listed on the verification form.
  - viii. Period Jobs: Only entered when the credit type is creation or retention.
    - 1. Creation: Add the increase in employment from the previous period.
    - 2. Retention: Enter the lessor of the base or current headcount for retention
  - ix. Target jobs: not used.
- b. Update Compliance item – Performance Report
    - i. Approver name and date should be entered

7. Email Verification to the company

8. Update the Verification Requests tracking spreadsheet with the completed date under the “date completed” column

## SECOND REVIEW

Once a verification has been marked as completed on the tracking spreadsheet by both manual reviewers, a third individual will review and approve the verification prior to the initial reviewer sending the verification to the client, updating EnABLE or updating Salesforce.

- 1. The third reviewer is not completing an entirely separate review/analysis but reviewing the data and ensuring that the correct process was used.



2. The third reviewer should
  - a. Review the contract and/or amendments for:
    - i. Full time jobs definition
    - ii. Tax Credit categories
    - iii. Earnings period
    - iv. Reporting periods
    - v. Any special language/earnings provisions
  - b. Verify the data submitted by the company matches the correct dates.
  - c. Verify that the data used by the first two analysts matches the data submitted by the company.
  - d. Review any manual exceptions made are documented correctly and are appropriate
  - e. Review any analysis for capital investment, training, or supply chain
  - f. Review summary document
3. Any questions or concerns should be addressed with the first two analysts.
4. Update the verification tracking spreadsheet with initials & date once approved in the "second reviewer" column.



## Addendum A

# Electronics & Information Technology Manufacturing Zone (EITMZ) – Specific to the Foxconn contract

The general verification process and guideline outlined above should be followed with differences outlined in this addendum

- An EITMZ may be designed for a period of up to 15 years

## JOB CREATION

Job creation calculations will follow the process outlined in section “Payroll Review - Manual Calculations” & section “Calculating credits – Job Creation” with the following exceptions:

- There are no tiers; eligible employees are those which make \$30,000
- Employees must perform services in Wisconsin as set forth in Wis. Stat. § 71.28(3wm)3; Wis. Stat. §71.25(8); and Wis. Admin. Tax 2.39(5). In order to be eligible for any job creation credits in a period the employer must:
  - o Pay an average annual wage of at least \$53,875 to Full-Time Employees.
    - The annual average wage will be calculated by dividing the sum of all annualized wages paid to eligible full-time employees up to \$400,000 by the total number of eligible employees as of the end of the period.
    - Terminated employees are not included in the average wage calculation in any capacity.
  - o To qualify the recipient must have an eligible employee headcount which is at least the number listed in Exhibit A Column B of the contract.
- All wages up to \$100K are included in the creditable wage calculation; \$30,000 is not subtracted from the base wage when determining the creditable wage of eligible employees.
- Job Creation credit percentage is 17%
- Job Creation credit is calculated as: Total Creditable Wage (all eligible wages up to 100K for eligible full-time employees, actual wages paid to mid-year hires who qualify, and actual wages paid to terminated employees who would qualify if still employed) X 17% = Job Creation Credit Maximum.
- If the company does not earn the full job creation allocation, the unearned allocation credits may be carried forward to be earned and verified in subsequent periods, subject to the limits and additional conditions below.
  - o To be eligible for the carryforward amount the company must exceed the eligible employee headcount in Exhibit A Column C of the contract.



- Job Creation credits awarded in any period may not exceed the sum of Exhibit A Column D + Column E. and may never exceed the total in Exhibit A, Column F.
- For more details regarding carryforward creation credits see section 6(a)3 of the contract.

## CAPITAL INVESTMENT

Capital Investment calculations will follow the process outlined in section “Calculating credits – Capital Investment” with the following exceptions:

- Eligible expenditures are explicitly defined in the definition section of the contract as follows

(r) “Significant Capital Expenditure” means an investment in (i) machinery and equipment to be installed and used in the Zone (including “finance leases” and “operating leases” (to the extent and in the amount that such operating leases give rise to a “right-of-use asset” on the balance sheet of a Recipient upon lease commencement, but not including “short term” operating leases of such machinery and equipment, and not including consigned machinery and equipment), and (ii) in land and buildings located in the Zone that are needed to achieve the specific purpose of completing the Project; and provided that WEDC reserves the right to review leases between the Recipients and their Affiliates to confirm that such leases reflect fair market value prior to certifying Capital Investment Tax Credits. Notwithstanding any other provision of this Agreement, investments in residential or commercial, non-industrial property or construction of such property will not be considered to be eligible Significant Capital Expenditures for purposes of this Project and this Agreement. The terms “finance lease”, “operating lease”, “right-of-use asset” have the meanings assigned to them under GAAP ASC 842.

- Credits earned at 15% of eligible expenditures
- Capital Investment tax credits will not be verified until the period ending 12/31/2019.
  - The company may accrue expenses beginning on the certification date and carryforward any eligible expenses.
- In order to be eligible for the maximum allocation the company must have an eligible employee headcount which is at least the number listed in Exhibit B, Column B of the contract.
- If the number of eligible Full-Time employees is less than the number listed in Exhibit B Column B, the allocation maximum will be discounted by the same proportion.
  - For example: In 2019 the company minimum job creation threshold is 520 employees. If the company has 468 eligible employees, which is 90% of 520, the capital investment allocation will be discounted by 10% and the company will be eligible for \$173,571,429. (\$192,857,143 -10%)



- Carryforward: Unearned Capital Investment Tax Credits (allocation carryforward) may only be carried forward in periods where the Recipient meets the Job Target in Exhibit B, Column B. In other words, Capital Investment Allocations can only be carried forward in circumstances where there has been a shortfall in spending. If credits are discounted due to a shortfall in headcount, the credits are lost and cannot be carried forward. See Section 6(b)6 of the contract for more details.
- Excess credits earned in job creation or capital investment may not be shifted between categories.

## VERIFICATION

Per paragraph 7 of the contract WEDC will issue a separate verification form for each recipient to file a claim. The recipients are defined as SIO International Wisconsin, Inc., FEWI Development Corporation, and AFE, Inc.

- Tax credits will be verified in proportion to the capital expenditures made and wages paid by each individual entity.
- Capital Investment expenditures will be accrued and the percentage of expenses by each entity will be tracked. Credits will be issued on a first in, first out basis per period.
  - o First in, first out will apply to expenditures within the period as a whole, not by individual date.
  - o Any carryforward of earned credits being issued in a period, will be issued after credits earned in the period.
  - o For Example: In a single period, there is \$100,000 in eligible Capital investment and is eligible for \$150 in Capital Investment Tax Credits
    - Recipient A has \$400, or 40% of the total and is eligible for \$60.
    - Recipient B has \$250 or 25% of the total and is eligible for \$37.50
    - Recipient C has \$350 or 35% of the total and is eligible for \$52.50
- Any carryforward job creation allocation credits will be awarded in the same manner; all tax credits verified for the period will be proportionate to the wages paid in the period being verified. Excess Job creation credits earned are not eligible to be carried forward.
- For example: For the period ending in December 31, 2019:
  - Recipient A employs 250 new employees (which represents 25% of total new employees) but the wages totaling 30% of the total wages paid.



- Recipient B employs 300 new employees (which represents 30% of total new employees) but the wages totaling 30% of the total wages paid.
- Recipient C employs 450 new employees (which represents 45% of total new employees) but the wages totaling 40% of the total wages paid.
- Because the cumulative jobs (250+300+450) exceeds the Minimum Cumulative Full-Time Jobs set in Exhibit A, Column B, each of the Recipients would be entitled to credits based on their wages. In other words:
  - Recipient A would receive Job Creation Tax credits based on the 30% of wages paid.
  - Recipient B would receive Job Creation Tax credits based on the 30% of wages paid.
  - Recipient C would receive Job Creation Tax credits based on the 40% of wages paid.

#### **RELATED DOCUMENTS:**

- *Tax Credit Verification Process Exceptions dated 6/4/2017*





## WEDC PROCEDURE

C&R 0412 - Enterprise Zone Tax Credit and Electronics & Information Technology Manufacturing Zone Procedures
<b>OWNER:</b> Senior Financial Servicing Director
<b>RESPONSIBLE ROLES:</b> Senior Financial Servicing Director, Senior Financial Servicing Analyst, Financial Servicing Analyst
<b>APPLICABLE TO:</b> WEDC Staff.

### SUMMARY:

These work instructions detail the methodology and process by which Enterprise Zone tax credits are awarded and verified. The below process is a general guideline; any specific contract language will always take precedence.

This procedure is effective for the processing of all tax credit verifications for period end date 12/30/2017 and prior.

### GOVERNING SOURCE REFERENCE(S):

- Wisconsin State Statute 238.396 - Electronics and information technology manufacturing zone.
- Wisconsin State Statute 238.399 - Enterprise zone program.
- Enterprise Development Zone Program Guidelines
- Electronics and Information Technology Manufacturing Zone Program Guidelines
- Specific Award Contract Language

### DEFINITIONS:

#### Project Scope

##### Recipient

The Recipient is the entity with whom WEDC contracts and which claims the credits WEDC verifies on their Wisconsin state income taxes. The Recipient and scope of statewide employment is determined by the Recipient's Federal Employment Identification Number (FEIN).

Even if the Recipient files a combined Wisconsin tax return with other related entities, WEDC can provide tax credits to the Recipient based on their unique FEIN. If multiple related entities



are included in the project, WEDC will work with the company(ies) involved to determine their relationships, who is conducting the relevant activities, and how the award should be set up.

If there are multiple related entities that use the same FEIN to file their Wisconsin taxes, employees of all entities included under that FEIN will be counted in the statewide employment. If there are multiple related entities with different FEINs involved in the project, each entity will be defined as a claimant in the contract, and tax credits will be verified to the claimants in proportion to their eligible activity earnings.

### Project Location

An Enterprise Zone designation can be made location-specific or statewide. The base payroll spreadsheet will provide the necessary information on the Recipient's statewide employment and identify employees by facility location.

### **Tiers:**

Tier 1 include those locations which are designated as distressed by WEDC.

Tier 2 include those locations which are not designated as distressed by WEDC.

If the Enterprise Zone includes facilities in both distressed and non-distressed locations WEDC will design the entire zone as non-distressed. The applicable tier for the award will be determined based on WEDC's designations of distressed/non-distressed in effect as of the Certification Date.

### **Eligible Employees**

#### Eligible Full-Time Employee

In a Tier I Enterprise Zone:

A "Full-Time Employee": means an individual who is employed in a regular, non-seasonal job for which the annual pay is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage, and an individual in the position is offered the retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.

In a Tier II Enterprise Zone:

A "Full-Time Employee": means an individual who is employed in a regular, non-seasonal job for which the annual pay is more than thirty thousand dollars (\$30,000), and an individual in the position is offered the retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.



While there are two statutory definitions of Full-Time Employee, WEDC utilizes the above identified definition in its contracts: Wis. Stat. Sec. 238.399(1)(am)2.<sup>1</sup>

### Partial-Year Employees

“Partial-Year Employees” are those employees who only worked part of the year due to their hiring or termination dates, who would have met the Full-Time Employee definition if they had worked the full year. Partial-Year Employees whose employment was terminated during the year will have their wages earned during the period of their employment counted in the calculations, but not their hours/headcount. Partial-Year Employees who are employed as of the period end will have their wages earned during the period of their employment counted in the calculations, along with their hours/headcount.

### Eligible Wages

“Eligible Wages” considered for the calculation of tax credits are those wages up to one hundred thousand dollars (\$100,000) for each Eligible Employee and includes any commission, bonus, overtime, but not health insurance, or other benefits compensation or severance/separation payments paid to the Eligible Employee.

Eligible Wages include wages which are greater than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage\* in a Tier I county or municipality or greater than \$30,000 in a Tier II county or municipality.

\* The amount will be determined by the federal minimum wage as of the certification date.

## **Certification Date and Baseline**

### Certification Date

“Certification Date”: means the date, designated by WEDC, on which the eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.

Tax credit Certification Dates should be set to align with the beginning of the project. Certification Dates may not precede WEDC’s sending of an application to the applicant unless a prior Certification Date is approved in writing by WEDC’s CEO and where it can be demonstrated that the Certification Date does not allow for expenditures or jobs that have already been incurred or created prior to engaging WEDC for assistance.

### Base Year

“Base Year”: means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the Certified Business is located takes effect.

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<sup>1</sup> Previous statutory language allowed for a tier at \$20,000 referred to as “Tier 20”; while this language is not currently allowed for, older contracts may have language similar to the following:

“Full-Time Position” means any permanent, non-seasonal position where an employee is required, as a condition of employment, to work at least 2,080 hours per year, including paid leave and holidays, and for which the individuals receives annual pay that is equal to at least \$20,000 and benefits that are not required by federal or state law.



The Base Year must align with the Recipients taxable year and may overlap the Certification Date. However, in no circumstances can credits be earned for job creation or job retention prior to the end of the base year period.

Example 1: Base Year Corresponds with Certification Date:

- Recipient's taxable year ends 12/31 and the Certification Date is 1/1/17.
- Recipient's taxable year beginning during the calendar year prior to the calendar year in which the Enterprise Zone takes effect will be 1/1/16-12/31/16.
- Job retention and job creation tax credit earnings and calculations will be based on employment beginning 1/1/17, the Certification date, and there will be no overlapping or gaps from the Base Year.

Example 2: Base Year Overlaps Certification Date:

- Recipient's taxable year ends 9/30 and the Certification Date is 8/1/17.
- Recipient's taxable year beginning during the calendar year prior to the calendar year in which the Enterprise Zone takes effect will be 10/1/16-9/30/17, creating an overlap between the end of the Base Year and the Certification Date.
- Job retention and job creation tax credit earnings and calculations will begin 10/1/17, the start of the Recipient's next taxable year. Capital investment, training, and supply chain tax credit earnings and calculations may begin on the Certification Date, as those calculations do not rely on the Base Year.

Example 3: Base Year Ends Prior to Certification Date:

- Recipient's taxable year ends 7/31 and the Certification Date is 9/1/17.
- Recipient's taxable year beginning during the calendar year prior to the calendar year in which the Enterprise Zone takes effect (Base Year) will be 8/1/16-7/31/17, creating a gap between the end of the Base Year and the Certification Date.
- No tax credit earnings or calculations may begin prior to the Certification Date, but because the calculations of job retention and job creation tax credits are based on comparisons with the Base Year, the Recipient may inadvertently receive benefit for job growth during the gap between the Base Year and the Certification Date.

For awards where the Certification Date is a date prior to award approval, WEDC will have the baseline information at the time of contracting and will insert the number of baseline employees into the contract. For awards where the Certification Date is a date after contracting, WEDC will require that the company submit their baseline information along with their first-year performance report and set the baseline number of employees at that time.

## **PROCEDURE DETAILS:**

### **CALCULATING INCENTIVES**

The maximum tax credit award amount for a project will be determined by calculating the maximum amount the Recipient could earn cumulatively under job creation, job retention, capital investment, supply chain, and/or training. Credits shall be calculated by using the appropriate EZ tax credit calculator, which can be obtained by contacting the Senior Servicing Analyst or Senior Financial Servicing Director, it is currently housed here: G:\ED\G DRIVE - NEW\Tax Credit Central\Verification Documents & Tools\EZ.

**C&R 0412**

**Effective Date 2/1/2019**



WEDC does not have to award the Recipient the maximum amount allowed for under the calculation, and the award amount will be based upon multiple factors (including ROI) to optimize the effectiveness of the award to the State of Wisconsin.

Once the maximum tax credit award amount for a project is determined, staff will evaluate all aspects of the project to determine which eligible activities to incent with tax credits. A project may receive tax credits for multiple eligible activities. The amount of tax credits awarded for each activity shall align with the calculations prescribed in the Statute and Program Guideline.

An Enterprise Zone may be designated for a period of up to 12 years.

### **Certification of an Enterprise Zone**

A business may qualify for an EZ certification if one of the five circumstances is met. For additional detail please see the Program Guideline.

1. Begins operations in the EZ
2. Relocates to the EZ from out of state
3. Expands operations within the EZ
4. Retains jobs in the EZ
5. The business in the EZ purchases substantially from a Wisconsin Supply Chain.

### **Earning Requirements**

#### Job Creation Tax Credits:

Job creation tax credits are calculated at a rate of up to 7% of the Creditable Wage paid to the New Full-Time Employees in the Zone

Job creation credits will be based on the lesser of either (1) the increase in the number of Full-Time Employees in the State of Wisconsin as compared to the Base Year, or (2) the increase in the number of Full-Time Employees in the Enterprise Zone as compared to the Base Year. The contract may require the Recipient to create a specific number of new jobs to be eligible for any credits.

#### Job Retention Tax Credits:

Job Retention will be based on the creditable wage in the base period. The Recipient may be eligible for an amount of up to 7% of the base period creditable wage for no more than five consecutive years. The Recipient will be required to maintain the number of eligible Full-Time Employees as defined in the contract in the Base Year to be eligible for credits. The Recipient's annual creditable wage must not fall below the Base Year creditable wage established to qualify for any retention credits.

#### Capital Investment Tax Credits

If the Significant Capital Investment is at least \$10,000,000, Capital investment tax credits are calculated at a rate of up to 10% of the Recipient's real and personal property investment. Capital Expenditures are generally defined as those which would be to lease or purchase depreciable, tangible assets such as land, buildings, software and equipment. Generally



operating lease payments are not eligible. Eligible expenditures must be made after the Certification Date.

### Training Tax Credits

Training credits are calculated at a rate of up to 100% of the Recipient's eligible training costs incurred to undertake activities to enhance an Eligible Employee's general knowledge, employability, and flexibility in the workplace; to develop skills unique to the Recipient's workplace or equipment; or to develop skills that will increase the quality of the Recipient's product.

Eligible training costs include (1) the cost of the trainer, (2) the cost of training materials, (3) the wages of the trainee while in a classroom setting, or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting. Eligible training may include: Lean training (Six Sigma), technical college courses specific to equipment or processes, or courses designed specifically for equipment/processes. Tuition reimbursement costs can be included if the degree being obtained will enhance the employee's employability or skills. Tuition reimbursement will be based on the individual classes taken vs the degree being pursued. General education courses unrelated to the industry may be excluded (such as art history or general health

courses). On the job or job shadowing costs for the trainee may be included as training expenses but not also as job creation or job retention expenses. That is; if an employee is in a job shadowing role 100% of the time and wages are claimed towards a job training credit, the wages and hours for this period may not also be claimed under a job creation or job retention credit.

Ineligible training costs include travel expenses, food, or lodging. Other ineligible training activities would include: general HR courses, general safety procedures, orientation, and routine training not project-related.

### Supply Chain Tax Credits:

Supply Chain Tax Credits are intended to incentivize the awardee for external inputs that are 1) directly responsible in the production or distribution of the output/commodity, 2) purchased from a Wisconsin Supplier, and 3) incremental to the current supply chain footprint of the awardee.

Supply chain activities involve the transformation of natural resources, raw materials, and components into a finished product that is delivered to the end customer. Supply chain is the sequence of processes involved in the production and distribution of a commodity, product, or service.

Supply chain is comprised of vendors that supply raw material, producers who convert the material into products, warehouses that store, distribution centers that deliver to the retailers, and retailers who bring the product to the ultimate user.

The Recipient may earn Supply Chain Tax Credits at a rate of up to 1% of the Eligible Supply Chain Expenditures. Eligible Supply Chain expenditures include those vendors within the State of Wisconsin which contribute directly to the manufacture, distribution or production of the



commodity, product or service. Ineligible activities or expenditures will include: The Recipient's internal costs to produce the output/commodity (e.g. payroll, benefits, insurance, financing charges, travel/lodging/expenses), charitable donations, political contributions and costs such as snow removal and landscaping. If an expense is claimed under a Capital Investment Credit, it may not also be claimed under Supply Chain.

Generally, if the recipient is not at risk for moving current operations out of state, only the incremental change in supply chain expenditures year-over-year should be considered eligible expenditures, which will require a baseline measurement at the time of application.

### **Provisions to earnings**

The below provisions represent possible language variations found in existing contracts. These provisions are not standard language and are not guaranteed to be available in future negotiations.

#### 80% Rule

As a threshold to be eligible to earning Tax Credits in a particular year, the Recipient must not have decreased the number of Existing Full-Time Employees from the base period and must meet in such year at least eighty percent (80%) of the cumulative New Full-Time Employees to be created in the Enterprise Zone, as detailed in the Disbursement Schedule exhibit of the contract. WEDC may require this threshold for any or all earnings categories.

#### Carryforward

WEDC may provide the opportunity for a company to carry-forward un-earned tax credits to be earned & verified in future years. This may be applicable for any or all earnings categories.

As long as the Recipient has met the "Minimum Cumulative New Full-Time Employees to Qualify" threshold as set forth in the Disbursement Schedule Exhibit, any unearned Tax Credits in a year may be rolled forward to be earned and verified in subsequent years.

#### Excess

WEDC may provide the opportunity for a company to carryforward tax credits earned in excess of the allocation for the given period. Excess may be limited to the same category in future years or may be available for any category

If in any fiscal year, the amount of tax credits earned exceeds the amount of such credits authorized in that category for that period, the excess earned may be carried over to the next period and added to the amount of tax credits authorized for that subsequent period. This may be applicable for any or all earnings categories.

#### Shifting

WEDC may provide the opportunity for a company to shift excess credits earned in a tax credit category to be verified in a different tax credit category within the same earnings period. This may be applicable for any or all earnings categories.

If in any period, the amount of Enterprise Zone Tax Credits earned through any tax credit category exceeds the amount of Tax Credits authorized for such tax credit category in the





period as set forth in the Disbursement Schedule Exhibit, such excess amount may be used to offset short falls in any other tax credit category during such calendar year.

## Obligations

Contractual obligations will include completing the project as contemplated by the Recipient's applications, maintaining the baseline Existing Full-Time Employees (if any), making a Significant Capital Investment (if applicable), and maintaining the Significant Capital Investment and Full-Time Employees for which the Recipient has earned credits. The length of the maintenance period may go beyond the tax credit earning period at WEDC's discretion, but the maintenance period will not be shorter than the tax credit earning period.

The obligations will not typically require the Recipient to create a specific number of jobs, as the tax credits are performance-based and determined based on the calculations and threshold requirements noted above. WEDC may add additional obligations and thresholds to earning on a case-by-case basis depending on the factors surrounding the award.

## Default Provisions and Claw-backs

Event of Default and Remedies language in the contract will reflect statutory requirements.

### SAMPLE REPORTING SCHEDULE & ALLOCATION TABLE:

Fiscal Year: 10/01 – 09/30

Certification Date: August 1, 2015

Base: 10/01/14 – 09/30/2015

Jobs to be created: 500

Eligible Period	Minimum Cumulative New Full Time			Capital			Annual Total
	Employees to Qualify	Job Creation	Job Retention	Investment	Supply Chain	Training	
08/01/2015 - 09/30/2015				\$ 1,000,000	\$ 125,000		\$ 1,125,000
10/01/2015 - 09/30/2016			\$ 500,000	\$ 1,000,000	\$ 125,000		\$ 1,625,000
10/01/2016 - 09/30/2017	50	\$ 200,000	\$ 500,000	\$ 1,000,000	\$ 125,000	\$ 90,000	\$ 1,915,000
10/01/2017 - 09/30/2018	130	\$ 200,000	\$ 500,000	\$ 1,000,000	\$ 125,000	\$ 90,000	\$ 1,915,000
10/01/2018 - 09/30/2019	200	\$ 400,000	\$ 500,000	\$ 1,000,000	\$ 125,000	\$ 80,000	\$ 2,105,000
10/01/2019 - 09/30/2020	265	\$ 400,000			\$ 125,000	\$ 80,000	\$ 605,000
10/01/2020 - 09/30/2021	335	\$ 400,000			\$ 125,000	\$ 80,000	\$ 605,000
10/01/2021 - 09/30/2022	400	\$ 400,000			\$ 125,000	\$ 80,000	\$ 605,000
<b>Total</b>		<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 500,000</b>	<b>\$ 10,500,000</b>





<b>Annual Performance Report Period Covered</b>	<b>Payroll and Verification Report Period Covered</b>	<b>Due Date</b>
August 1, 2015 – September 30, 2015	August 1, 2015 – September 30, 2015	January 1, 2016
August 1, 2015 – September 30, 2016	October 1, 2015 – September 30, 2016	January 1, 2017
August 1, 2015 – September 30, 2017	October 1, 2016 1 – September 30, 2017	January 1, 2018
August 1, 2015 – September 30, 2018	October 1, 2017 – September 30, 2018	January 1, 2019
August 1, 2015 – September 30, 2019	October 1, 2018 – September 30, 2019	January 1, 2020
August 1, 2015 – September 30, 2020	October 1, 2019 – September 30, 2020	January 1, 2021
August 1, 2015 – September 30, 2021	October 1, 2020 – September 30, 2021	January 1, 2022
August 1, 2015 – September 30, 2022	October 1, 2021 – September 30, 2022	January 1, 2023

## **WORK INSTRUCTIONS:**

### **TAX CREDIT VERIFICATION - DETERMINE ELIGIBILITY**

1. Find the executed contract and, if applicable, most recent amendment
2. Review the contract for which Full-Time Employee definition is used
3. Review the Full-Time Employee definition and/or the Job Creation section for appropriate wage tier
  - a. Tier 1 will read 150% of minimum wage (Which is currently \$22,620)
  - b. Tier 2 will read \$30,000
  - c. Tier 20 will read \$20,000
  - d. It is possible that the tier for eligible headcount and eligible creditable wage are different. In this instance, the Full-Time Employee definition is used for headcount and the wage listed under the calculating Job Creation section is used for creditable wages.
4. In the Eligibility for Tax Credits section, the contract will detail eligibility broken down by category
  - a. Look for total award amount per category
    - i. Job Creation
    - ii. Job Retention
    - iii. Training
    - iv. Supply Chain



- v. Capital Investment
- b. Review for specific stipulations that may be listed such as:
  - i. Ability to carryforward unearned credits
  - ii. Ability to carryforward credits earned in excess of annual limit
  - iii. Ability to shift credits earned from one category to another
  - iv. The allocation table may or may not include a minimum job creation number that must be reached to be eligible for credits in one or more categories
- 5. Read the reporting schedule to verify the payroll dates required for the current submission

## REVIEWING PAYROLL FILES

Review payroll to ensure that the data is in an acceptable format with all appropriate data points

1. The Operations and Program Performance Reporting team will perform a preliminary review of the data upon the initial submission using the following guidelines:
  - a. If earning on job creation/retention payroll is required for ALL periods where job creation or job retention is earned
    - i. Payroll must be in the template format provided
    - ii. Check that:
      1. All fields are complete
      2. The company provided data for all employees employed during the period
        - a. Data provided is not just for new hires – i.e. there should be hire dates prior to the current period.
        - b. Data is included for employees that terminated during the period
      3. Hours/wages look “logical” – i.e. a variety. Not all very low or all exactly the same.
2. Payroll should be in Salesforce saved within the Performance Reporting Folder.
  - a. If payroll is not located, ask the Program Analyst (Operations and Program Reporting Team)
3. Prior to beginning the analysis, the reviewer will check the following:
  - a. Payroll must be in the excel format provided to the company
  - b. Must be for the entire reporting period (4<sup>th</sup> quarter payroll is not acceptable)
  - c. Must be actual wages and hours provided
    - i. Annual salaries, contracted rates, etc., are not acceptable
  - d. If hourly wage is not provided
    - i. Ask for clarification from the company unless employees are noted as salary
  - e. Document any clarification provided from the company by:
    - i. Saving a copy of the email to the performance report section of salesforce



- ii. Save a copy of the email in the current year verification folder in the project folder in G: Drive
- f. Current payroll template includes the following columns:
  - i. Employee ID
  - ii. Hours worked – Period
  - iii. Hourly Wage
  - iv. Period Wages
  - v. Hire Date
  - vi. Term Date
  - vii. PT/FT
  - viii. Residency (state)
  - ix. Worksite

## PAYROLL - MANUAL CALCULATIONS

How to manually calculate eligible employee headcounts and creditable wages used for Job creation & Job Retention.

At this time, the Tax Credit Calculator is not set up with any Enterprise Zone calculations. Instead, two different reviewers will complete an independent manual review of the payroll using the below instructions and a third will approve. If at any time the reviewer questions the validity of the data or discovers any discrepancies, a request for clarification from the company should be made and all responses saved in the project folder and Salesforce.

1. Initial Sorting:
  - a. Sort by employment status
    - i. Move any employees which are not listed as Full Time to the bottom of the list and highlight the entire row using red.
  - b. Residency
    - i. Any employee that does not live in Wisconsin and is designated as “remote”, “working at home”, or “sales” can be eligible. The employee must be paid out of the designated Enterprise Zone.
    - ii. This should be confirmed by the company that all wages paid to such employees are paid out of a location within the Zone.
    - iii. Confirmation should be documented in writing and saved to Salesforce and the G Drive project folder.
  - c. Sort by Hourly Wage
    - i. If hourly wage is not provided by the company, calculate the hourly wage by dividing Total Period Wages by Period Hours Worked.
    - ii. Employees must earn 150% of minimum wage at the time of contracting, currently this is \$10.875.
    - iii. Move all employees with an hourly wage < \$10.875 to the bottom of the file and highlight the entire row in red.



- d. Check for any employees with start dates after the period end date
    - i. If there is an employee with a hire date after the period, move to the bottom and highlight in red
    - ii. If an employee is listed with a start date after the start of the period but has wages listed, ask for clarification from company
    - iii. The employees highlighted in red are disqualified and there are no further calculations performed.
  - e. Sort by termination date
    - i. Move all employees with a termination on or before the last day of the period to the bottom of the sheet, but above all other ineligible employees that have been moved to the bottom and highlight in orange. These are the "Terminated Employees".
  - f. This will leave a group of potentially eligible employees that are not highlighted; these are the "Potentially Eligible Employees".
2. Wage Check
- a. "Days" Calculations
    - i. Calculate the number of days the employee was employed during the period.
    - ii. No calculation is needed for employees excluded and now highlighted red.
    - iii. Days calculation should be labeled as such and stored in the column right of the "Comments" column.
    - iv. Sort Terminated Employees (orange) by hire date
      - 1. For terminated employees hired *prior* to the period start date use the "Days" functions to calculate the number of days between the employee's Termination Date and the Period Start Date.
      - 2. For the Terminated Employees hired *after* the period start date use the "Days" functions to calculate the number of days between the employee's Termination and Start Dates.
    - v. Sort the Potentially Eligible Employees by hire date
      - 1. For employees hired *prior* to the period start date use the "Days" functions to calculate the number of days between the Period End Date and the Period Start Date.
      - 2. For the employees hired *after* the period start date use the "Days" functions to calculate the number of days between the Period End Date and the employee's Hire Date. These are referred to as "Partial Period Employees".
    - vi. **Days = (Days(END DATE, START DATE)+1)**
  - b. Annualized Hours
    - i. Calculate the number of hours worked in the period for all Potentially Eligible, or Terminated employees



1. Include all hours worked that are listed by employer which may include overtime.
- ii. No calculation is needed for excluded employees highlighted in red.
- iii. Hours calculation should be labeled as such and stored in the column to right of the “Days” column created in the previous step.
- iv. For contracts with the alternate Full-Time Employees definition this is only a quality check for the data; the reviewer should request clarification from the company on any unusually high hours.
- v. For contracts with the standard Full-Time Employees definition, compare the annualized hours to the contractual requirement.
  1. Any employee which does not reach the contractual requirement should be highlighted in red and disqualified; regardless of wages earned.
- vi. **Annualized Hours:  $=(\text{Period hours} / \text{Days}) \times 365$**
- c. Annualized Wage
  - i. Calculate annual wages for all partial reporting periods, Partial Period Employees and Terminated Employees.
  - ii. No calculation is needed for excluded employees highlighted in red.
  - iii. No calculation is needed for Potentially Eligible Employees who worked an entire period **and** the period is equal to 12 months.
  - iv. Annual Wage calculation should be stored in the column right of the “Annualized Hours” column.
  - v. Terminated and Potentially Eligible Employees should be sorted separately by hire date.
  - vi. All wages are to be included; only exclude severance, separation payments & any insurance benefits paid on the employees’ behalf.
  - vii. **Annualized Wage:  $=(\text{Period wages}/\text{Days}) \times 365$**
- d. Creditable Wage
  - i. Creditable wage column should be located to the right of the annualized wage column.
  - ii. Sort both Potentially Eligible Employees and Terminated Employees by annualized wages separately.
  - iii. For employees who earn >\$100K
    1. If the employee is a full-year employee and the period is equal to 12 months, the creditable wage is \$100,000 – Tier threshold
    2. For reporting periods < 12 months, Partial Period and Terminated Employees who have annualized wages >\$100K: prorate the creditable wage based on the length of employment or the period and subtract the pro-rated tier threshold.
      - a. **Prorated creditable wage  $= (100,000/365) \times \text{DAYS}$**
      - b. **Prorated Tier threshold  $=(\text{WAGE}/365) \times \text{DAYS}$**



- iv. For employees who earn <\$100K
  - 1. For full 12-month period full year employees
    - a. If annual wages  $\geq$  tier threshold, then Creditable wage = Period Wages – tier threshold
    - b. If period wages < tier threshold, then Creditable wage = Zero
  - 2. For reporting periods < 12 months, partial period and terminated employees
    - a. If Annualized wages > Tier threshold, then Creditable wage = Period Wages – Pro-rated Tier threshold
    - b. If Annualized wages < Tier threshold, then Creditable wage = Zero
- v. **Creditable wage Calculation:** Sum of all wages, including wages from both Terminated and Potentially Eligible Employees
- e. Headcount
  - i. Add a column to the right of the Creditable Wage column titled “headcount”
    - 1. For any contract with a different tier for headcount vs creditable wage
      - a. Compare the employee’s Annualized Wage to the headcount tier threshold
      - b. Enter “1” for all Potentially Eligible Employees with annualized wage  $\geq$  headcount tier wage
      - c. Enter “0” for any employee with annualized wages < headcount tier wage or a Terminated Employee and highlight in red
    - 2. For contracts where the headcount and creditable wage tier are the same:
      - a. Enter “1” for any Potentially Eligible Employee with creditable wages listed
      - b. Enter “0” for any Terminated Employee or for any Potentially Eligible Employee with Zero listed in the creditable wage column and highlight in red
  - ii. Highlight all employees who have not already been highlighted in red or orange, in yellow. These should all be at the top of your spreadsheet and should meet each of the following conditions
    - 1. Hourly wage is >\$10.875
    - 2. Full Time or have full time equivalent benefits
    - 3. Not terminated
  - iii. The count of the headcount column 1’s = the eligible headcount
- f. Exceptions



- i. Review any disqualified, non-terminated, employee for a possible exception.
- ii. A manual exception will be granted to allow an employee to be eligible when they do not meet the annual wage threshold when the company certifies that the employee was on an approved leave AND was eligible for benefits during leave.
- iii. Approved leave includes
  1. FMLA
  2. Disability
  3. Military Leave
  4. Leave of absence
- iv. If an exception is approved the reviewer should make a comment clearly indicating that an exception is granted and the reason for the exception. This should be documented in a separate column.

### CALCULATING CREDITS

How to determine the amount of credits earned – Always review contract for any specific variations. Two reviewers should each complete an independent review of all credit categories and compare for accuracy.

#### 1. Job Creation

- a. Number of new employees in the period = Current period headcount – base headcount
  - i. Effective 07/01/2017 all new EZ and any amendment to an existing EZ the number of new employees is the lesser of:
    1. The number of new employees in the EZ or
    2. The number of new employees in the State
  - ii. For any EZ existing prior to 07/01/2017 without an applicable amendment, the calculation of new employees is limited to the EZ; not the state.
- b. Current period creditable wage / total current period headcount = AVG eligible wage
  - i. Tier threshold is already subtracted during the creditable wage calculation to account for pro-rating when necessary. Do not subtract the tier wage again.
  - ii. Creditable wage is only calculated using wages paid to those employees in the EZ.
- c.  $\text{AVG eligible wage (step b)} * \# \text{ New employees (step a)}$
- d. Multiply the result from step c by the creation percent, typically 7%
- e. The credit to be awarded is the lesser of:



- i. The amount determined in step D or
- ii. The amount listed in the allocation table in the contract for the current period

2. Job Retention

- a. The yearly job retention credit cannot be more than 7% of the creditable wage of the base year; the allocation table will list the maximum credit for each period.
- b. Job retention cannot be issued for more than 5 consecutive years; this does not need to begin on the certification date.
- c. In order to qualify for job retention, the number of eligible employees in the current period must be  $\geq$  than the base headcount and the current period creditable wage must be  $\geq$  than the creditable wage in the base year.

3. Job Training: Job Training credits are earned for eligible training expenses.

- a. The contract will state the rate that credits will be earned. Credits can be earned at a rate of up to 100% of eligible training expenses.
- b. See the Calculating Incentives section of this document on page 3 for more details regarding specific eligible and ineligible costs.
- c. A file must be saved clearly indicating what expenses are eligible and which are ineligible with a reason for ineligibility
- d. The credit to be awarded is the lesser of:
  - i. The eligible training amount or
  - ii. The amount listed in the allocation table in the contract for the current period

4. Capital Investment - earned for eligible capital expenses.

- a. Up to 10% of personal property and real property expenses.
- b. See the Calculating Incentives section of this document on page 3 for more details regarding specific eligible and ineligible costs
- c. A file must be saved clearly indicating what expenses are eligible and which are ineligible with a reason for ineligibility.
- d. The credit to be awarded is the lesser of:
  - i. The calculation of eligible expenses or
  - ii. The amount listed in the allocation table in the contract for the current period

5. Supply Chain – earned for expenses related to the production and distribution of a commodity, product, or service.

- a. Credits may be earned at a rate of up to 1% of eligible expenses.





- b. See the Calculating Incentives section of this document on page 3 for more detail regarding specific eligible and ineligible costs.
- c. Expenses that are claimed & eligible for a Capital Investment Credit are not eligible for a Supply Chain Credit.
- d. A file must be saved clearly indicating what expenses are eligible and which are ineligible with a reason for ineligibility.
- e. The credit to be awarded is the lesser of:
  - i. The eligible expense calculation
  - ii. The amount listed in the allocation table in the contract for the current period

## COMPLETING THE SUMMARY DOCUMENT

The summary document will be created to track the cumulative results of the verification.

1. If this is the first verification being completed
  - a. Locate the summary template
    - i. G:\ED\G DRIVE - NEW\Tax Credit Central\Verification Documents & Tools\EZ\Summary Template – EZ
  - b. Complete all fields of the template, verifying information from the contract as applicable
  - c. Any necessary comments regarding the verification should be saved in the document.
2. If this is a second or subsequent verification
  - a. Locate the previous summary completed (may be titled final comparison)
  - b. Update fields as necessary, adding results and comments from the current period.

## DRAFTING THE VERIFICATION LETTER & FORM

1. Determine what type of letter will be drafted:
2. Denial letter - If the company is not eligible to earn credits under any of their earnings categories due to failure to perform:
  - a. Prior to drafting a denial letter, consult with the Senior Financial Servicing Director to provide direction.
  - b. Located at: G:→ED→G DRIVE – NEW→Tax Credit Central→Verification Documents & Tools→ EZ
  - c. Open the EZ Denial Letter.
  - d. Cross reference the Salesforce Opportunity, EnABLE and the current Performance Report and determine the contact information.



- e. If the company was previously sent a verification form, prepare a form, updating the job numbers and entering zero credits earned for this period.
    - f. Save As and save a copy of the form to the applicable earnings period verification folder.
  3. Verification Letter - If the company is eligible for any type of credits a verification form and letter need to be completed:
    - a. Located at: G:→ED→G DRIVE – NEW→Tax Credit Central→Verification Documents & Tools→ **EZ**
    - b. Open the EZ Verification Letter.
    - c. Cross reference the Salesforce Opportunity, EnABLE and the current Performance Report and determine the contact information.
    - d. Save As and save a copy of the form to the applicable earnings period verification folder
  4. Verification Form – Summarizes credits earned to date and current period credits earned
    - a. If the company has received a verification previously navigate to the previous verification folder.
      - i. Find the word document for the verification form. You can use this document as a template for this period by making a copy of the form: do not save over the original document
      - ii. Add the most recent details to the form and updated all applicable dates.
      - iii. Verify that contact information is up to date.
    - b. If a verification has not been completed open a new blank copy
      - i. Go to G:→ED→G DRIVE – NEW→Tax Credit Central→Verification Documents & Tools→EZ
    - c. Compare the top half of section I to the current performance report to see if it needs to be updated.
      - i. Update the second half of Section I with current information.
      - ii. Fill in the current period tax credit amount per eligible activity.
    - d. Complete Section II
      - i. Update the Name on the bottom of the form to the name of the individual who completed the review and update the date to today's date.
    - e. Save As and save a copy of the form to the applicable earnings period verification folder as a word document.
    - f. Save a second copy of the form & letter as a PDF.

## FINAL STEPS



1. Both reviewers should update the Verification Tracking Spreadsheet with the completed date & initials under the column “First Review”.
2. A third individual should review, approve the verification and update the Verification Tracking Spreadsheet approved with initials & date. The reviewers should wait for the second approval before continuing to the next step. For directions on completing the second review see the “Second Review” section of this document.
3. Email the verification letter & form or denial to the client using the “taxcredits@WEDC.org email.
4. Upload all documents to the Performance Report folder in Salesforce
  - a. Manual Reviews
    - i. Should be labeled with the standard naming convention with document name “Manual Review 1” & “Manual Review 2”.
    - ii. All WEDC calculations should be clearly marked and labeled as such.
  - b. Summary
  - c. Verification Letter & Form or Denial Letter
5. In the Salesforce Opportunity chatter add a new message that says:

Tax Credit Verification completed for the period ending: MM/DD/YY. Verification form and letter were sent to the company and uploaded to the performance reporting folder.
6. Update EnABLE Allocation Tables
  - a. Go to the award in EnABLE
  - b. Find the eligible credit activities listed under the Award Snapshot. Click on the pencil to edit the credit activity. DO NOT “ADD NEW” ALLOCATION CATEGORY.
  - c. Each Credit Type will have an entry for each eligible period; only update the appropriate period.
    - i. Period Ending: the end of the earnings period
    - ii. Date Received: the received date of the compliance item – performance report for the period end
    - iii. Amount Verified: The Tax credits awarded for that earnings period for that specific credit type.
      - a. If shifting is used such that excess credits in one category are used to fill a gap in a different category; the allocation must be changed to match the verification.
      - b. This means that the allocation table in the contract will not match EnABLE if excess is used.



- c. Any changes should be documented in the “comments” field at the top of the allocation, indicating the original allocation, the reason for the change, where the excess was used or shifted to as well as the date of the change and name.

I.E the company is allocated to earn \$100MM in creation & \$50MM in training for a total of \$150MM.

The company earns \$75MM in creation and \$100MM in training.

In EnABLE, change the allocation in the “amount field” for creation to \$75MM and enter \$75MM as amount verified, change the allocation in the “amount field for training to \$75MM and enter \$75MM as the amount verified, for a total of \$150MM.

- iv. Waiver: N/A – Only used for DOZ’s
  - v. Date processed: The date on the verification letter or form
  - vi. Comment: For job creation or retention enter base headcount # if calculated or enter current period headcount.
  - vii. Period Investment: Only entered when the credit type is Capital Investment. Add the total eligible Capital expenditures (both real and personal) as listed on the verification form.
  - viii. Period Jobs: Only entered when the credit type is creation or retention.
    - 1. Creation: Add the increase in employment from the previous period.
    - 2. Retention: Enter the lessor of the base or current headcount for retention
  - ix. Target jobs: not used.
- b. Update Compliance item – Performance Report
    - i. Approver name and date should be entered

7. Email Verification to the company

8. Update the Verification Requests tracking spreadsheet with the completed date under the “date completed” column

## SECOND REVIEW

Once a verification has been marked as completed on the tracking spreadsheet by both manual reviewers, a third individual will review and approve the verification prior to the initial reviewer sending the verification to the client, updating EnABLE or updating Salesforce.

- 1. The third reviewer is not completing an entirely separate review/analysis but reviewing the data and ensuring that the correct process was used.



2. The third reviewer should
  - a. Review the contract and/or amendments for:
    - i. Full time jobs definition
    - ii. Tax Credit categories
    - iii. Earnings period
    - iv. Reporting periods
    - v. Any special language/earnings provisions
  - b. Verify the data submitted by the company matches the correct dates.
  - c. Verify that the data used by the first two analysts matches the data submitted by the company.
  - d. Review any manual exceptions made are documented correctly and are appropriate
  - e. Review any analysis for capital investment, training, or supply chain
  - f. Review summary document
3. Any questions or concerns should be addressed with the first two analysts.
4. Update the verification tracking spreadsheet with initials & date once approved in the "second reviewer" column.



## Addendum A

# Electronics & Information Technology Manufacturing Zone (EITMZ) – Specific to the Foxconn contract

The general verification process and guideline outlined above should be followed with differences outlined in this addendum-

- An EITMZ may be designed for a period of up to 15 years

## JOB CREATION

Job creation calculations will follow the process outlined in section “Payroll Review - Manual Calculations” & section “Calculating credits – Job Creation” with the following exceptions:

- There are no tiers; eligible employees are those which make \$30,000
- Employees must perform services in Wisconsin as set forth in Wis. Stat. § 71.28(3wm)3; Wis. Stat. §71.25(8); and Wis. Admin. Tax 2.39(5).
- In order to be eligible for any job creation credits in a period the employer must:
  - o Pay an average annual wage of at least \$53,875 to Full-Time Employees.
    - The annual average wage will be calculated by dividing the sum of all annualized wages paid to eligible full-time employees up to \$400,000 by the total number of eligible employees as of the end of the period.
    - Terminated employees are not included in the average wage calculation in any capacity.
  - o To qualify the recipient must have an eligible employee headcount which is at least the number listed in Exhibit A Column B of the contract.
- All wages up to \$100K are included in the creditable wage calculation; \$30,000 is not subtracted from the base wage when determining the creditable wage of eligible employees.
- Job Creation credit percentage is 17%
- Job Creation credit is calculated as: Total Creditable Wage (all eligible wages up to 100K for eligible full-time employees, actual wages paid to mid-year hires who qualify, and actual wages paid to terminated employees who would qualify if still employed) X 17% = Job Creation Credit Maximum.
- If the company does not earn the full job creation allocation ~~due to a short fall in creditable wage~~, the unearned allocation credits may be carried forward to be earned and verified in subsequent periods, subject to the limits and additional conditions below.



~~o If unearned credits are due to not meeting the minimum job threshold in Exhibit A Column B, the credits are lost and cannot be carried forward.~~

- o To be eligible for the carryforward amount the company must exceed the eligible employee headcount in Exhibit A Column C of the contract.
- o Job Creation credits awarded in any period may not exceed the sum of Exhibit A Column D + Column E. and may never exceed the total in Exhibit A, Column F.
- o For more details regarding carryforward creation credits see section 6(a)3 of the contract.

## CAPITAL INVESTMENT

Capital Investment calculations will follow the process outlined in section “Calculating credits – Capital Investment” with the following exceptions:

- Eligible expenditures are explicitly defined in the definition section of the contract as follows

(r) “Significant Capital Expenditure” means an investment in (i) machinery and equipment to be installed and used in the Zone (including “finance leases” and “operating leases” (to the extent and in the amount that such operating leases give rise to a “right-of-use asset” on the balance sheet of a Recipient upon lease commencement, but not including “short term” operating leases of such machinery and equipment, and not including consigned machinery and equipment), and (ii) in land and buildings located in the Zone that are needed to achieve the specific purpose of completing the Project; and provided that WEDC reserves the right to review leases between the Recipients and their Affiliates to confirm that such leases reflect fair market value prior to certifying Capital Investment Tax Credits. Notwithstanding any other provision of this Agreement, investments in residential or commercial, non-industrial property or construction of such property will not be considered to be eligible Significant Capital Expenditures for purposes of this Project and this Agreement. The terms “finance lease”, “operating lease”, “right-of-use asset” have the meanings assigned to them under GAAP ASC 842.

- Credits earned at 15% of eligible expenditures
- Capital Investment tax credits will not be verified until the period ending 12/31/2019.
  - o The company may accrue expenses beginning on the certification date and carryforward any eligible expenses.
- In order to be eligible for the maximum allocation the company must have an eligible employee headcount which is at least the number listed in Exhibit B, Column B of the contract.
- If the number of eligible Full-Time employees is less than the number listed in Exhibit B Column B, the allocation maximum will be discounted by the same proportion.



- For example: In 2019 the company minimum job creation threshold is 520 employees. If the company has 468 eligible employees, which is 90% of 520, the capital investment allocation will be discounted by 10% and the company will be eligible for \$173,571,429. (\$192,857,143 -10%)
- Carryforward: Unearned Capital Investment Tax Credits (allocation carryforward) may only be carried forward in periods where the Recipient meets the Job Target in Exhibit B, Column B. In other words, Capital Investment Allocations can only be carried forward in circumstances where there has been a shortfall in spending. If credits are discounted due to a shortfall in headcount, the credits are lost and cannot be carried forward. See Section 6(b)6 of the contract for more details.
- Excess credits earned in job creation or capital investment may not be shifted between categories.

## VERIFICATION

Per paragraph 7 of the contract WEDC will issue a separate verification form for each recipient to file a claim. The recipients are defined as SIO International Wisconsin, Inc., FEWI Development Corporation, and AFE, Inc.

- Tax credits will be verified in proportion to the capital expenditures made and wages paid by each individual entity.
- Capital Investment expenditures will be accrued and the percentage of expenses by each entity will be tracked. Credits will be issued on a first in, first out basis per period.
  - First in, first out will apply to expenditures within the period as a whole, not by individual date.
  - Any carryforward of earned credits being issued in a period, will be issued after credits earned in the period.
  - For Example: In a single period, there is \$100,000 in eligible Capital investment and is eligible for \$150 in Capital Investment Tax Credits
    - Recipient A has \$400, or 40% of the total and is eligible for \$60.
    - Recipient B has \$250 or 25% of the total and is eligible for \$37.50
    - Recipient C has \$350 or 35% of the total and is eligible for \$52.50
- Any carryforward job creation allocation credits will be awarded in the same manner; all tax credits verified for the period will be proportionate to the wages paid in the period being verified. Excess Job creation credits earned are not eligible to be carried forward.

—For example:





- For the period ending in December 31, 2019:
  - Recipient A employs 250 new employees (which represents 25% of total new employees) but the wages totaling 30% of the total wages paid.
  - Recipient B employs 300 new employees (which represents 30% of total new employees) but the wages totaling 30% of the total wages paid.
  - Recipient C employs 450 new employees (which represents 45% of total new employees) but the wages totaling 40% of the total wages paid.
- o Because the cumulative jobs (250+300+450) exceeds the Minimum Cumulative Full-Time Jobs set in Exhibit A, Column B, each of the Recipients would be entitled to credits based on their wages. In other words:
  - Recipient A would receive Job Creation Tax credits based on the 30% of wages paid.
  - Recipient B would receive Job Creation Tax credits based on the 30% of wages paid.
  - Recipient C would receive Job Creation Tax credits based on the 40% of wages paid.

#### **RELATED DOCUMENTS:**

- *Tax Credit Verification Process Exceptions, dated 6/4/2017*

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

January 29, 2019

Re: Resolution Approving the Responses to the Legislative Audit Bureau  
Wis. Stat §13.94(1)(u) EITMZ Evaluation

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to WEDC's enabling statutes, Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.04(1) empowers the Board to adopt, among other things, policies and procedures for the regulation of its affairs and the conduct of its business; and

**WHEREAS**, the Board has reviewed the WEDC Response to the Legislative Audit Bureau Wis. Stat §13.94(1)(u) EITMZ Evaluation ("WEDC EITMZ Response") on January 29, 2019.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Board approves the WEDC EITMZ Response accompanying this resolution for submission to the Joint Legislative Audit Committee.

This Resolution shall take effect immediately upon its adoption on January 29, 2019.

To: WEDC's Board of Directors  
From: Mark R. Hogan, Secretary & CEO  
Date: January 29, 2019  
Subject: Response to LAB Report 18-18

The purpose of this memo is to provide WEDC's Board of Directors with an update on our response to the Legislative Audit Bureau's ("LAB") Report 18-18. Please note LAB's recommendations have been accepted and implemented, and upon formal review by the Board at our January 29, 2019 meeting, the Joint Legislative Audit Committee ("JLAC") will also receive an update before January 31, 2019.

### **Background**

Enacted in September 2017, Wisconsin Act 58 created the Electronics and Information Technology Manufacturing Zone ("EITMZ") which provided the statutory guidelines for WEDC's contract with Foxconn. WEDC signed a contract with Foxconn on November 10, 2017 which outlines the terms, conditions, and requirements for Foxconn to receive up to \$2.85 billion in performance-based tax credits over a 15-year period in exchange for Foxconn investing up to \$10 billion and creating up to 13,000 jobs.

WEDC created Program Guidelines for the EITMZ program which were approved by WEDC's Board of Directors in November 2017. WEDC also created internal procedures to address the verification process specific to the EITMZ program. Both actions are standard practice for all WEDC's programs.

### **Legislative Audit Bureau Report 18-18**

Act 58 also required the Legislative Audit Bureau ("LAB") to annually evaluate, for five years, WEDC's process for verifying information submitted by Foxconn, including whether WEDC is adhering to statutory and contractual requirements when verifying tax credits. LAB's Report 18-18, which is included with your board materials, was issued in December 2018 and it represents LAB's first review as required by Act 58.

In its initial report, LAB noted that under the terms of its contract with WEDC, Foxconn would not be eligible to receive performance-based tax credits until 2019. Since tax credits had not yet been issued, LAB's Report 18-18 focused on a review of WEDC's Program Guidelines and procedures. As a further update, Foxconn recently notified WEDC (the letter is included in your board materials) that it would not meet the minimum jobs required as of December 31, 2018 to access tax credits in 2019. As a result, the earliest WEDC will be issuing tax credits will be in 2020.

### **LAB's Recommendations & WEDC's Response**

LAB's report mentions WEDC's written procedures allow WEDC to award program tax credits for "any employee that does not live in Wisconsin" as long as these employees are paid in the zone. LAB has indicated these written procedures "do not comply with (the Act 58) statutes or WEDC's Foxconn contract because they allow WEDC to award program tax credits for the wages of employees who do not perform services in Wisconsin."

To address this issue, LAB recommended WEDC:

- (1) "modify its written procedures to require it to award tax credits under the EITMZ program only for the wages of employees who perform services in Wisconsin";
- (2) "provide these modified procedures to its governing board"; and
- (3) "report to the Joint Legislative Audit Committee by January 31, 2019, on the status of its efforts to implement these recommendations."

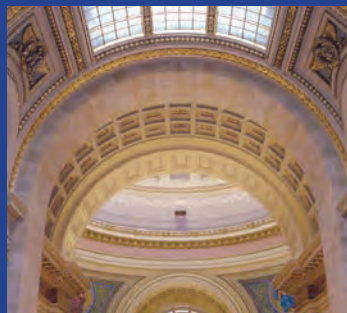
WEDC has modified its written procedures (please see the attached copy) to align with LAB's recommendations and a status report will be sent to the JLAC by January 31, 2019.

**Report 18-18  
December 2018**

# **Electronics and Information Technology Manufacturing Zone Program**

*Wisconsin Economic Development Corporation*

STATE OF WISCONSIN



Legislative Audit Bureau ■

**Report 18-18  
December 2018**

# **Electronics and Information Technology Manufacturing Zone Program**

*Wisconsin Economic Development Corporation*

## **Joint Legislative Audit Committee Members**

### **Senate Members:**

Robert Cowles, Co-chairperson  
Chris Kapenga  
Alberta Darling  
Kathleen Vinehout  
Mark Miller

### **Assembly Members:**

Samantha Kerkman, Co-chairperson  
John Macco  
John Nygren  
Melissa Sargent  
Terese Berceau

**State Auditor**  
Joe Chrisman

**Special Assistant to  
the State Auditor**  
Anne Sappenfield

**Performance  
Evaluation Director**  
Dean Swenson

**Team Leader**  
Derek Hippler

**Evaluator**  
Ross Ryan

**Publications  
Designer and Editor**  
Susan Skowronski

## **LEGISLATIVE AUDIT BUREAU**

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The Bureau is a nonpartisan legislative service agency responsible for conducting financial audits and performance evaluations of state agencies. The Bureau's purpose is to provide assurance to the Legislature that financial transactions and management decisions are made effectively, efficiently, and in compliance with state law and that state agencies carry out the policies of the Legislature and the Governor. Bureau reports typically contain reviews of financial transactions, analyses of agency performance or public policy issues, conclusions regarding the causes of problems found, and recommendations for improvement.

Reports are submitted to the Joint Legislative Audit Committee and made available to other committees of the Legislature and to the public. The Audit Committee may arrange public hearings on the issues identified in a report and may introduce legislation in response to the audit recommendations. However, the findings, conclusions, and recommendations in the report are those of the Legislative Audit Bureau.

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The Bureau accepts confidential tips about fraud, waste, and mismanagement in any Wisconsin state agency or program through its hotline at 1-877-FRAUD-17.

For more information, visit [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab).



Contact the Bureau at 22 East Mifflin Street, Suite 500, Madison, Wisconsin 53703; [AskLAB@legis.wisconsin.gov](mailto:AskLAB@legis.wisconsin.gov); or (608) 266-2818.

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## **Appendix**

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Statutory Requirements for Awarding Program Tax Credits
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## **Response**

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From WEDC's Chief Executive Officer
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# STATE OF WISCONSIN | Legislative Audit Bureau

22 East Mifflin St., Suite 500 ■ Madison, WI 53703 ■ (608) 266-2818 ■ Hotline: 1-877-FRAUD-17 ■ [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab)

Joe Chrisman  
State Auditor

December 19, 2018

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

As required by s. 13.94 (1) (u), Wis. Stats., we have evaluated the Wisconsin Economic Development Corporation's (WEDC's) process for verifying information submitted by recipients of the tax credits allocated under the Electronics and Information Technology Manufacturing Zone program. Beginning in 2018, statutes require us to complete such an evaluation annually for five years.

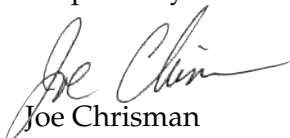
In November 2017, WEDC executed a \$2.85 billion tax credit contract under the program with three corporations, which are collectively referred to as "Foxconn," to create jobs and make capital investments over the 15-year period from January 2018 through December 2032.

Statutes and WEDC's contract require WEDC to award program tax credits for the wages of employees who perform services in Wisconsin. However, WEDC established written procedures that allow it to award program tax credits for certain employees who do not perform services in Wisconsin, as long as these employees are paid in the zone. In this way, these written procedures do not comply with statutes or WEDC's contract. WEDC indicated that it intends to award Foxconn program tax credits for the wages of employees who are directed from and paid in the zone. We note that employees who are directed from and paid in the zone may not necessarily perform services in Wisconsin.

Statutes require our annual evaluations to analyze whether WEDC adhered to statutory and contractual requirements when it verified the amount of program tax credits awarded to Foxconn. WEDC's contract with Foxconn stipulates that WEDC may first award program tax credits in 2019, based on the jobs Foxconn created in 2018. Thus, our second evaluation, which we will publish in 2019, will include our first analysis of WEDC's compliance with these statutory and contractual requirements.

We appreciate the courtesy and cooperation extended to us by WEDC. A response from WEDC's chief executive officer follows the report.

Respectfully submitted,

  
Joe Chrisman  
State Auditor

JC/DS/ss



## Electronics and Information Technology Manufacturing Zone Program ■

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2017 Wisconsin Act 58, which was enacted in September 2017, created the Electronics and Information Technology Manufacturing Zone program. The Wisconsin Economic Development Corporation (WEDC) administers the program. Statutes allow WEDC to designate not more than one electronics and information technology manufacturing zone that shall remain in effect for no more than 15 years. Statutes stipulate that WEDC may award no more than \$2.85 billion in tax credits under the program, including \$1.5 billion for creating jobs and \$1.35 billion for making capital investments. These tax credits are refundable, meaning that if a recipient's tax credits exceed its Wisconsin income tax liability, a recipient receives a payment from the Department of Revenue (DOR).

***In November 2017,  
WEDC executed a  
\$2.85 billion contract  
with Foxconn.***

In November 2017, WEDC executed a \$2.85 billion contract with three corporations that agreed to build a facility to fabricate thin-film transistor liquid-crystal displays, which are used in electronic appliances such as televisions and computer monitors. If these three corporations, which are collectively referred to as "Foxconn," create contractually specified jobs and make contractually specified capital investments, WEDC will award them up to \$2.85 billion in program tax credits over the 15-year period of the contract and will inform DOR that they may claim these tax credits.

Beginning in 2018, statutes require the Legislative Audit Bureau to annually evaluate for five years:

- WEDC's process for verifying information that was submitted by recipients of program tax credits and that indicates the extent to which

these recipients created contractually specified jobs and made contractually specified capital investments; and

- whether WEDC adhered to statutory and contractual requirements when it verified the amount of program tax credits to award recipients as a result of their efforts to create jobs and make capital investments.

To complete this evaluation, we interviewed WEDC staff, examined WEDC's contract with Foxconn, and analyzed the policies and written procedures WEDC established to verify information submitted by recipients of program tax credits. As separately required by statutes, our biennial financial audit of WEDC and program evaluation audit of WEDC's economic development programs will analyze WEDC's overall management of its finances and administration of its programs. We anticipate completing this biennial audit in spring 2019.

***WEDC established written procedures that allow it to award program tax credits for certain employees who do not perform services in Wisconsin, as long as these employees are paid in the zone.***

Statutes and WEDC's contract require WEDC to award program tax credits to recipients for the wages of employees who perform services in Wisconsin. However, WEDC established written procedures that allow it to award program tax credits for certain employees who do not perform services in Wisconsin, as long as these employees are paid in the zone. In this way, these written procedures do not comply with statutes or WEDC's contract. WEDC will not award any program tax credits in 2018 because its contract stipulates that it may first award program tax credits in 2019, based on the jobs Foxconn created in 2018.

## Contractual Provisions

***WEDC's contract establishes annual minimum numbers of jobs that Foxconn must create in order to be awarded program tax credits for job creation in that year.***

WEDC's contract establishes annual minimum numbers of jobs that Foxconn must create in order to be awarded program tax credits for job creation in that year. For example, Foxconn must create at least 260 jobs in 2018 in order to be awarded any program tax credits in 2019. Foxconn may be awarded program tax credits for creating jobs in each year of the 15-year contract, but program tax credits for capital investments may be awarded only during the seven-year period from 2019 through 2025. After Foxconn creates jobs or makes capital investments in a given year, WEDC will award it program tax credits in subsequent years.

WEDC's contract stipulates the annual amounts of program tax credits that WEDC may award Foxconn for creating jobs and making capital investments. However, if Foxconn is not awarded all available program tax credits in a given year, some or all of these unawarded tax credits will carry forward and may be awarded in future years. The precise amounts of program tax credits that carry

forward varies by year, and Foxconn must create a contractually specified minimum number of jobs in a given year in order for capital investment tax credits to carry forward.

**WEDC may award  
Foxconn up to  
\$9.5 million in program  
tax credits for creating  
jobs in 2018.**

The table below shows the contractually specified annual amounts of program tax credits that WEDC may award to Foxconn, although the actual amounts awarded may vary because certain tax credits that were not awarded in prior years may be carried forward. In 2018, WEDC may award Foxconn up to \$9.5 million in program tax credits for creating jobs, but it cannot award Foxconn any tax credits for making capital investments. If Foxconn does not create at least 260 contractually specified jobs in 2018, all \$9.5 million in program tax credits will carry forward and may be awarded in future years.

**Amounts of Program Tax Credits WEDC May Award Foxconn<sup>1</sup>**  
(in millions)

Calendar Year	Minimum Number of Jobs <sup>2</sup>	Job Creation	Capital Investment	Total
2018	260	\$ 9.5	–	\$ 9.5
2019	520	19.1	\$ 192.9	212.0
2020	1,820	47.8	192.9	240.7
2021	3,640	84.0	192.9	276.9
2022	5,200	120.3	192.9	313.2
2023	7,150	120.6	192.9	313.5
2024	7,800	120.9	192.9	313.8
2025	8,450	121.1	192.9	314.0
2026	9,100	121.5	–	121.5
2027	10,400	121.7	–	121.7
2028	10,400	122.0	–	122.0
2029	10,400	122.3	–	122.3
2030	10,400	122.7	–	122.7
2031	10,400	123.0	–	123.0
2032	10,400	123.5	–	123.5
<b>Total</b>		<b>\$1,500.0</b>	<b>\$1,350.0</b>	<b>\$2,850.0</b>

<sup>1</sup> Contractually specified amounts of program tax credits that are not awarded in a given year may be carried forward and awarded in future years.

<sup>2</sup> Foxconn must create a minimum number of jobs in order to be awarded tax credits for job creation in a given year.

## Job Creation

Statutes and WEDC's contract stipulate that Foxconn is to be awarded program tax credits for creating jobs filled by employees paid at least \$30,000 annually and offered retirement, health, and other benefits that are equivalent to such benefits offered to employees required to work at least 2,080 hours annually. Statutes and WEDC's contract stipulate that Foxconn is to be awarded program tax credits equal to 17.0 percent of the wages of such employees, but it cannot be awarded tax credits for any wages exceeding \$100,000.

***Statutes and WEDC's contract require WEDC to award program tax credits for the wages of employees who perform services in Wisconsin.***

Statutes and WEDC's contract require WEDC to award program tax credits for the wages of employees who perform services in Wisconsin. Section 238.396 (3s) (c), Wis. Stats., stipulates that WEDC may not certify Foxconn to claim program tax credits for the wages of employees who perform services outside of Wisconsin. In addition, ss. 71.07 (3wm) and 71.28 (3wm), Wis. Stats., require WEDC to award program tax credits based on a tax credit recipient's zone payroll, which is statutorily defined to be the wages of employees who perform services in Wisconsin. The text of each of these statutory provisions is shown in the Appendix.

In November 2017, WEDC established program policies that were approved by its governing board. Although these policies contain information about how WEDC will award program tax credits, they do not specify how WEDC will ensure that program tax credits are awarded only for the wages of employees who perform services in Wisconsin. WEDC established written procedures that specify in greater detail how it will award program tax credits. WEDC's governing board does not approve written procedures. These written procedures allow WEDC to award program tax credits for "any employee that does not live in Wisconsin and is designated as 'remote', 'working at home', or 'sales'" as long as these employees are paid in the zone. These written procedures do not comply with statutes or WEDC's contract because they allow WEDC to award program tax credits for the wages of employees who do not perform services in Wisconsin.

WEDC indicated that it intends to award Foxconn program tax credits for the wages of employees who are directed from and paid in the zone. It indicated that it plans to do so based on s. 71.25 (8) (b), Wis. Stats., which pertains to the determination of corporate income taxes and indicates that a corporation's state payroll includes certain employees who are not residents of Wisconsin and do not perform services in Wisconsin. However, ss. 71.07 (3wm) and 71.28 (3wm), Wis. Stats., and WEDC's contract require WEDC to award program tax credits based on the zone payroll, which is a subset of the state

payroll and includes only the wages of those employees who perform services in Wisconsin. We note that employees who are directed from and paid in the zone may not necessarily perform services in Wisconsin.

When awarding program tax credits, WEDC should ensure that it will comply with statutes and its contract, which require that program tax credits be awarded for the wages of employees who perform services in Wisconsin. WEDC should also modify its written procedures to require it to award program tax credits only for the wages of employees who perform services in Wisconsin. Doing so will ensure that its written procedures comply with statutes and its contract. Given the amount of tax credits that may be awarded through this program, WEDC should provide its modified written procedures to its governing board, which may review them and ensure that they comply with statutes and its contract. WEDC should then follow its modified written procedures when it awards program tax credits.

#### ☒ **Recommendation**

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*We recommend the Wisconsin Economic Development Corporation:*

- *ensure that it will comply with statutes and its contract, which require that Electronics and Information Technology Manufacturing Zone program tax credits be awarded for the wages of employees who perform services in Wisconsin;*
- *modify its written procedures to require it to award tax credits under the Electronics and Information Technology Manufacturing Zone program only for the wages of employees who perform services in Wisconsin;*
- *provide these modified written procedures to its governing board; and*
- *report to the Joint Legislative Audit Committee by January 31, 2019, on the status of its efforts to implement these recommendations.*

We noted three other job creation-related provisions in WEDC's contract with Foxconn. First, statutes indicate that WEDC may require a recipient of program tax credits to repay any tax credits that a recipient claimed for a year in which the recipient failed to maintain contractually specified employment levels. WEDC's policies require a recipient to maintain all created jobs for which it

received program tax credits for the duration of its contract with WEDC. However, WEDC's contract does not require Foxconn to repay any program tax credits if it does not maintain all created jobs during the first five years of the contract.

Second, WEDC's policies indicate that if award recipients do not create at least a contractually specified minimum number of jobs annually, the program tax credits that could have been awarded for these jobs cannot be carried forward and awarded in future years. However, WEDC's contract allows unawarded program tax credits for creating jobs to be carried forward, even if Foxconn does not create a contractually specified minimum number of jobs annually. After we identified this discrepancy between the policies and the contract, WEDC indicated that it plans to modify its policies so that they comply with the contract.

Third, WEDC's contract stipulates that Foxconn must create a minimum of 10,400 jobs over the 15-year period of the contract, but it indicates that Foxconn may create up to 13,000 jobs. Foxconn does not need to create 13,000 jobs in order to be awarded all program tax credits for job creation. Contractual provisions pertaining to job creation indicate that Foxconn could be awarded all available program tax credits in the final year of the contract if, for example, Foxconn created:

- 10,400 jobs and paid each of the employees in these jobs an average of \$69,900; or
- 13,000 jobs and paid each of the employees in these jobs an average of \$55,900.

## **Capital Investments**

Statutes allow WEDC to award Foxconn program tax credits over a seven-year period if WEDC determines that Foxconn made a significant capital investment in the electronics and information technology manufacturing zone, which is contractually defined to be Foxconn's business facilities within contractually specified geographic boundaries in Racine County. These program tax credits must not exceed 15.0 percent of Foxconn's capital expenditures. As required by statutes, WEDC adopted policies and procedures for defining a significant capital investment.

WEDC's contract indicates that Foxconn will make up to \$10.0 billion in capital investments to complete the fabrication facility. However, contractual provisions related to how the tax credits will be calculated allow Foxconn to be awarded all

\$1.35 billion in program tax credits that are available for capital investment if it makes at least \$9.0 billion in capital investments.

### **Reporting Requirements**

***Foxconn is contractually required to report to WEDC by April 1 of each year on the numbers of jobs it created and capital investments it made in the prior calendar year.***

Foxconn is contractually required to report to WEDC by April 1 of each year on the numbers of jobs it created and capital investments it made in the prior calendar year. Its first report is due by April 1, 2019, and will include information on the jobs created from January 2018 through December 2018. WEDC's contract further stipulates that Foxconn must hire and pay for a nationally recognized certified public accountant (CPA) to perform an attestation of the job creation and capital investment information submitted by Foxconn. WEDC's contract stipulates that this CPA must report to WEDC on the results of this attestation within 45 days after April 1.

■ ■ ■ ■

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## Appendix ■

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## Appendix

### **Statutory Requirements for Awarding Program Tax Credits**

Statutes indicate how WEDC is required to award program tax credits. Statutes refer to WEDC as “the corporation” and a tax credit recipient as a “claimant.”

Section 238.396 (3s) (c), Wis. Stats., states that “The corporation may not certify a business to claim tax benefits under ss. 71.07 (3wm) (b) and 71.28 (3wm) (b) for services performed outside this state.”

Sections 71.07 (3wm) (b) and 71.28 (3wm) (b), Wis. Stats., require WEDC to award program tax credits based on the “zone payroll” of a tax credit recipient. Sections 71.07 (3wm) (a) 6. and 71.28 (3wm) (a) 6., Wis. Stats., define zone payroll as “the amount of state payroll that is attributable to wages paid by the claimant to full-time employees for services that are performed in the zone or that are performed outside the zone, but within the state, and for the benefit of the operations within the zone, as determined by the Wisconsin Economic Development Corporation.”

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## Response ■

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Mark R. Hogan  
Secretary and CEO

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December 18, 2018

Mr. Joseph Chrisman  
State Auditor  
Legislative Audit Bureau  
22 E. Mifflin Street, Suite 500  
Madison, WI 53703

Dear Mr. Chrisman:

Thank you for the opportunity to respond to the Legislative Audit Bureau's (LAB's) evaluation of the Wisconsin Economic Development Corporation's (WEDC's) process for verifying information submitted by recipients (collectively referred to as "Foxconn") under the Electronics and Information Technology Manufacturing Zone (EITMZ) program.

Enacted in September 2017, Wisconsin Act 58 created the EITMZ and provided the statutory guidelines for WEDC's contract with Foxconn. WEDC signed a contract with Foxconn on November 10, 2017 which outlines the terms, conditions, and requirements for Foxconn to receive up to \$2.85 billion in tax credits over a 15-year period in exchange for Foxconn investing up to \$10 billion and creating up to 13,000 jobs. WEDC created Program Guidelines for the EITMZ program which were approved by WEDC's Board of Directors in November 2017. WEDC also created internal procedures to address the verification process specific to the EITMZ program. Both actions are standard practice for all WEDC's programs.

Act 58 required LAB to annually evaluate for five years WEDC's process for verifying information submitted by Foxconn and whether WEDC adhered to statutory and contractual requirements when verifying the tax credits. This report represents LAB's initial review of WEDC's process. As noted in LAB's report, Foxconn is first eligible to receive performance-based tax credits in 2019 at which time the company may receive up to \$9.5 million in tax credits for creating jobs in 2018.

Since tax credits cannot be issued until 2019, LAB's report focuses on a review of WEDC's Program Guidelines and procedures. This provides WEDC the unique opportunity to consider LAB's observations and recommendations, and to research and implement, if necessary, changes to our Program Guidelines and/or procedures well in advance of when the first tax credits might be issued in 2019.

#### LAB's Recommendations

LAB's report mentions WEDC's written procedures allow WEDC to award program tax credits for "any employee that does not live in Wisconsin" as long as these employees are paid in the zone. LAB has indicated these written procedures "do not comply with (the Act 58) statutes or WEDC's Foxconn contract because they allow WEDC to award program tax credits for the wages of employees who do not perform services in Wisconsin."

Specifically, both Act 58 [Wis. Stat. 238.396 (3wm) (6)] and WEDC's contract with Foxconn [Section 1(w)] indicate:

- "Zone Payroll means the amount of State Payroll that is attributable to wages paid by the claimant (Foxconn) to full-time employees for services that are performed in the zone (EITMZ), or that are performed outside the zone, but within the state, and for the benefit of the operations within the zone, as determined by WEDC."
- Note: In both the statutes and contract, "State Payroll" is determined by Wis. Stat. 71.25 (8).



In addition, given the uniqueness of the Foxconn contract, and acknowledging WEDC's procedures do not normally require Board approval, LAB recommended for WEDC to provide its governing Board its modified procedures for the EITMZ program.

### Background

To provide context, the primary purpose of the "Zone Payroll" definition, which was created by WEDC during the Foxconn contract negotiations, was to limit Foxconn's ability to earn capital investment tax credits to only those expenditures which were made in the geographic zone located in Mount Pleasant, Racine County, Wisconsin. At the same time, the definition was meant to encourage Foxconn to expand its employment opportunities throughout the entire state of Wisconsin by offering tax credits for wages of full-time employees (as defined in the contract) whose services were for the benefit of Foxconn's operations in the geographic zone.

For example, Foxconn's investment in the corporate headquarters in Milwaukee and the innovation centers it has purchased in Green Bay, Eau Claire and Racine would not qualify for capital expenditure tax credits. However, the wages of the related full-time employees would qualify for jobs tax credits if their services are for the benefit of, and directed by, Foxconn's operation in the Mount Pleasant zone.

As further background, and during public hearings around the Act 58 legislation, questions arose as to whether the wages of Foxconn employees who are not Wisconsin residents would qualify for tax credits. In response to these questions, it was indicated WEDC's intent was for these non-resident wages to qualify if they met the Wisconsin Department of Revenue's definition for compensation that is subject to Wisconsin state income taxes [Wis. Stat 71.25 (8)(b)]. In addition, it was indicated the wages earned by residents of states having reciprocity agreements with the state of Wisconsin would also be eligible for tax credits. These provided the basis for WEDC including these wages as those eligible to receive tax credits in its procedures.

### Summary

LAB concludes the portion of WEDC's procedures covering these non-resident wages do not comply with statutes or WEDC's contract because they allow WEDC to award program tax credits for the wages of employees who do not perform services in Wisconsin. WEDC believes these services are being performed in Wisconsin because they are being directed by Foxconn's operation in the EITMZ, resulting in the related wages being subject to Wisconsin income taxes per Wisconsin's Department of Revenue.

WEDC is researching LAB's specific recommendation regarding the eligibility of non-resident wages and will modify its procedures, if necessary, to comply with statutes and its contract. WEDC will also provide its Board a copy of these procedures prior to any tax credits being awarded to Foxconn. Finally, WEDC will report to the Joint Legislative Audit Committee by January 31, 2019, on the status of its efforts to implement these recommendations.

Thank you again to you and the LAB staff for the constructive discussions and recommendations that resulted in the issuance of this report.

Sincerely,





**FEWI DEVELOPMENT CORP.**

611 E. Wisconsin Avenue,  
Milwaukee, WI, USA 53202

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January 17, 2019

Mr. Mark R. Hogan  
Secretary and CEO  
Wisconsin Economic Development Corporation

Dear Mr. Hogan,

On behalf of the Foxconn leadership team and members of the Foxconn family here and around the world, I am pleased to share with you some highlights of our Wisconsin Valley Science and Technology Park (WVSTP) project and the development of the Innovation Centers established throughout Wisconsin to support the important initiative.

In 2018, Foxconn and our partners in academic and business communities made good progress on all fronts related to our significant investments in the state and our goal of contributing to Wisconsin's transformation into a high-tech hub. As part of our commitment to the state, below is a summary of some of the accomplishments thus far.

Overall Investment

- **Invested over \$200 million to date in Wisconsin** while adopting a "Wisconsin First" approach and awarding 95% of all contracts to date to Wisconsin companies, with almost 16% going to minority, women and veteran owned businesses. Contracts were awarded to 93 companies in 17 counties throughout Wisconsin.
- **Expanded our presence around the state** through the purchase of a total of three buildings and ongoing fit-out of what will become technology-focused Innovation Centers at our Foxconn Places in Racine, Green Bay, and Eau Claire. As a sign of our commitment to talent retention and attraction in the State of Wisconsin, we also purchased a building in Milwaukee and established that facility as our North American headquarters.

Construction and Environmental Sustainability

- **Moved 4 million cubic yards of dirt** in the construction of Wisconsin Valley Science and Technology Park (WVSTP) campus while construction moves forward on schedule.
- **Completed the construction of a 120,000 square foot Multipurpose Building at WVSTP.**

- **Ensured that the WVSTP project would meet our commitment to promote environmental sustainability** by selecting a \$30 million Zero Liquid Discharge water recycling system to dramatically reduce water usage at the facility.

#### Hiring

- **Created 1,032 direct jobs and many more indirect jobs in support of the Wisconsin project.** This figure includes 178 full-time Foxconn employees and 854 employees involved in the construction of WVSTP, who are residents of 54 counties in Wisconsin.
- **Initiated a veteran hiring program** by welcoming 22 veterans, including CAPT Christopher “Tank” Murdoch, USN (Ret.) as Foxconn’s first employee in Wisconsin. In line with Foxconn’s commitment to hire veterans, this was followed by the hire of LTC Scott E. Rubitsky, USA (Ret.) who became Foxconn’s Director of Business Development and Plans in Wisconsin, and COL Peter Buck, USMC (Ret.) who assumed the position of Executive Director of the WVSTP. Recently, MAJ GEN Timothy Zadalis, USAF (Ret.) also joined Foxconn as Senior Counselor. We are committed to hiring many other veterans as part of the project workforce.
- **Held and participated in 34 recruitment and job fairs** for the public (in Mount Pleasant, Racine, Green Bay, Eau Claire, and Milwaukee), for university students (at UW-Milwaukee, St. Norbert College, UW-Madison, UW-Platteville, Marquette University, UW-Eau Claire, Milwaukee School of Engineering, UW-Green Bay, UW-Stout, Waukesha County Technical College), and for former military personnel at various veteran career fairs such as the Milwaukee Vet Job Fair in Wisconsin, at Fort Bragg in North Carolina, and at Joint Base Lewis-McChord in Washington state.

#### Educational Initiatives & Community Engagement

- **Made a \$100 million commitment to the University of Wisconsin-Madison** to help establish the Foxconn Institute for Research in Science and Technology which will help develop the state’s research and engineering talent.
- **Supported Wisconsin students, staff, and faculty from higher education communities around the state through the ongoing \$1 million “Smart Cities – Smart Futures” competition.**
- **Co-established a \$100 million Wisconsin Valley Venture Fund** with Advocate Aurora Health, Johnson Controls, and Northwestern Mutual.
- **Established numerous other partnerships with Wisconsin educational institutions**, including The University of Wisconsin System, University of Wisconsin-Madison, Wisconsin Association of Independent Colleges and Universities, Wisconsin Technical College System, University of Wisconsin-Milwaukee, University of Wisconsin-Parkside Gateway Technical College, Carthage College, Milwaukee Area Technical College, Marquette University, and Medical College of Wisconsin.

- **Engaged the Wisconsin business community** to outline our project objectives and the opportunities for participation in our supply chain in a wide array of events hosted by Wisconsin Manufacturers and Commerce, Blackhawk Technical College, Madison College, the La Crosse Chamber Foundation, Chippewa Valley Technical College, Northeast Wisconsin Technical College, Superior Government Center, UW Platteville, Gateway Technical College, the Wausau Entrepreneurial Enterprise Center, the Metropolitan Milwaukee Association of Commerce, the Wisconsin Technology Council, the Racine County Economic Development Corporation, the Greater Milwaukee Committee, The New North, the Wisconsin Veterans Chamber of Commerce, the University Economic Development Association, the Wisconsin Economic Development Corporation, and Manufacturing First, among others.
- **Supported Wisconsin businesses** by investing in the state's ginseng industry and helping to facilitate and fund the participation of Wisconsin businesses at the first China International Import Expo (CIIE) in November 2018.

In 2018, we made the strategic decision to broaden the base of our investment within the State of Wisconsin, far beyond what we initially planned, to ensure the company and our workforce will be positioned for long-term success.

While we remain committed to creating 13,000 jobs in Wisconsin, we have adjusted our recruitment and hiring timeline. As a company with operations around the world, we need to have the agility to adapt to a range of factors including global economic conditions. We have done so while simultaneously progressing on other aspects of the project and achieving our foremost priority for 2018 – creating a solid foundation upon which the Wisconsin project can continue to grow further.

Among the 1,032 jobs we created in support of the project, 178 of those jobs met the requirement for the 2018 round of investment tax credits/co-investment from the state. For that reason, we will not seek the first round of co-investment from the state.

In 2019, we look forward to making continued progress on the construction of the Wisconsin Valley Science and Technology Park campus. We will be conducting further information sessions for contractors in coming months. As part of the first phase of the project, we expect to start construction of facilities to house cutting-edge display development, advanced manufacturing, and 8K+5G research and development capabilities in the spring.

Thank you for the support your agency has provided to our company throughout these important stages of our project; we assure you we will maintain regular contact with you regarding the continued progress of the project.

Regards,



Dr. Louis Woo  
Special Assistant to CEO

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.  
**Date:** Sunday, January 27, 2019 3:18:14 PM  
**Attachments:** [AttachedImage](#)  
[AttachedImage](#)  
[AttachedImage](#)  
[1. Board Member Introduction Letter .pdf](#)  
[2. Board Member FAQ.pdf](#)  
[3. Org Chart from CAFR.pdf](#)  
[4. FY19-WEDC-Operations Budget Plan.pdf](#)  
[5. Sixth Amended & Restated Bylaws 7-13-17.pdf](#)  
[Governance Binder Cover Sheet.pdf](#)  
[WEDC New Appointment Binder TOC.pdf](#)

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This is the first set of Board Governance materials.

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**From:** Jennifer Jin  
**Sent:** Sunday, January 27, 2019 2:25 PM  
**To:** Joel.brennan@wisconsin.gov  
**Subject:** Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.

Secretary Brennan,

I am trying to give you direct access to the two folders. Please let me know if this works. Otherwise, I will download the files directly and send them to you.

Jenn



This link only works for the direct recipients of this message.



Final WEDC Board Governance Binder

Open



Microsoft respects your privacy. To learn more, please read our [Privacy Statement](#).  
Microsoft Corporation, One Microsoft Way, Redmond, WA 98052







# **BOARD OF DIRECTORS GOVERNANCE BINDER**



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Dear WEDC Board Member:

Thank you for agreeing to be a member of the Board of Directors for the Wisconsin Economic Development Corporation (WEDC). Wisconsin's environment of collaboration is supported by WEDC and our statewide partnerships that position industries, businesses and communities for success. WEDC works with more than 600 statewide partners, including regional economic development organizations, academic institutions and industry clusters, to create and provide economic development programs that retain and attract businesses, promote business growth and encourage economic prosperity. WEDC believes that Wisconsin will realize its full economic potential through our efforts in partnering with our communities, supporting business development, advancing industry innovation, tapping global markets, raising awareness of Wisconsin through brand development and management and developing a talented workforce. Your drive and insight will help us reach this goal.

This letter is intended to introduce WEDC's structure and economic development programs, and answer some of the basic questions you may have. Although many of these matters will be discussed at upcoming Board meetings, this will give you some background.

WEDC was created by statute, 2011 Wisconsin Act 7. WEDC is governed by a 20-member Board of Directors. The statute authorizes the Governor to appoint six members of the Board, the Senate Majority Leader and Assembly Speaker to appoint five members each and the Assembly Minority Leader and Senate Minority Leader to appoint one member each. The secretaries of the Departments of Administration and Revenue will serve on the Board as non-voting members.

WEDC's structure allows flexibility in operations while retaining an ability to administer tax credit and other statutory economic development programs and the public's right to oversight. As a "public body corporate and politic" – a legal term used in the statutes – WEDC's authority derives from state law but the corporation can operate more like a private organization than a state agency. WEDC focuses its economic development strategy on:

- economic incentive programs custom-tailored to a business's needs;
- targeted research and programs designed around specific industries;
- a team dedicated to building relationships with governmental and private organizations at the state and national levels, optimizing policy and funding opportunities, and identifying barriers to be removed;
- research on the state's economy and economic development programs;
- regular evaluation of its economic development programs; and
- collaborative marketing to businesses for job retention, growth, and expansion.

### **WEDC's Economic Development Programs**

WEDC has a wide variety of programs to assist and support businesses and communities. Examples of WEDC's existing programs include the following:

- Sector Strategy Development
  - Fabrication Laboratories Grant Program

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- Targeted Industry Project
- Business Development and Attraction
  - Business Development Tax Credits
  - Business Development Loan Program
  - Brownfields Grants, including Site Assessment Grants
  - Capacity Building Grants
  - Enterprise Zone Tax Credits
  - Industry Revenue Bonds
  - Workforce Training Grants
- International Business Development
  - ExporTech
  - Export Technical Assistance
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  - Global Network
- Entrepreneurship and Innovation
  - Capital Catalyst Program
  - Entrepreneurial Micro-grant
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  - SBIR/STR Matching Grant
  - Seed Accelerator
  - Technology Development Grants
- Community Development
  - Connect Communities
  - Minority Business Development Programs
  - Idle Sites Grants
  - Site Assessment Grants
  - Wisconsin Main Street Program

WEDC also supports businesses with referrals and advice. Where WEDC cannot help, we will find a governmental or private organization that can.

### **Public Records and Open Meetings**

WEDC operates transparently. All operations of the Board and WEDC employees are subject to Wisconsin's public records and open meetings laws. For purposes of the public records law, records include emails, electronic and hard copy documents prepared by WEDC, and documents provided to WEDC.

In addition, Board meetings will be open to the public, including the media, except for those matter that are authorized and appropriately noticed to be addressed closed session under Wisconsin law.

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## **Ethics Requirements**

Board members must comply with the ethics requirements outlined in chapter 19 of the Wisconsin Statutes. These statutes will be provided as part of your orientation documents. As part of these requirements, Board members must complete an annual Statement of Economic Interests to be filed with the Wisconsin Ethics Commission. That statement requires detailed information on the board member's investments; business activities; identification of certain customers, clients, or tenants; a list of business partners; real estate owned; organizations in which a board member or his or her family is involved; creditors; employers; and other sources of income; and gifts or entertainment received.

In addition, with few exceptions, board members may not receive anything of pecuniary value in their role as a WEDC board member.

## **The Board Meetings**

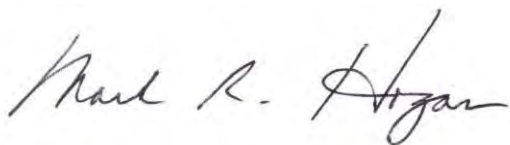
WEDC has roughly 6 formal Board meetings each year, but may call teleconferences as needed for award approval purposes. Prior the Board meetings, we will send to you a packet of materials for your review including drafts of materials that will be reviewed at the Board meeting.

## **Additional Resources**

Along with this welcome letter, you should have received additional documents, including the WEDC bylaws, WEDC's code of ethics and conduct, general Board information (including committee charters and Board resolutions) as well as documents relating to public records and open meetings, and applicable ethics requirements. WEDC will schedule, if you have not had a meeting already, a Board orientation where we will provide a more detailed review of the materials provided. But if you have any questions, you are always welcome to contact our Chief Legal Officer, Jennifer Jin, in the interim. She can be reached at (608) 261-6705.

Please do not hesitate to call me if you have questions or just want to talk more about WEDC. We know you share our commitment to Wisconsin and our enthusiasm for the efforts Wisconsin is taking to make our economy thrive. We look forward to working together.

Sincerely,

A handwritten signature in dark ink, reading "Mark R. Hogan". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark R. Hogan

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# WEDC BOARD FAQ

The WEDC Board FAQ intends to provide information and answer frequently asked questions for current WEDC Board members. Included below are common questions that may provide members with helpful information for those serving on the WEDC Board of Directors.

## I. CONTACT INFORMATION

### What information should I provide to WEDC?

- Your primary contact at WEDC will be the Assistant to the Chief Legal Officer and Board of Directors (“Board Assistant”): Erika Julsrud **(608-210-6859 | [Erika.julsrud@wedc.org](mailto:Erika.julsrud@wedc.org))**. If you have any questions, please contact Erika and she will help assist you.
- Throughout your board service, you should provide the Assistant to the Chief Legal Officer and Board of Directors with the most current information for the following:
  - Your e-mail address
  - Your phone number
  - Who you work for
  - Name of your staff/assistant (if applicable)
  - Staff/Assistant email
  - Staff/Assistant phone

## II. ATTENDANCE AND QUORUM

### How often does the WEDC Board of Directors meet?

- The WEDC Board has about 6 formal Board meetings a year, but may schedule intermittent teleconference for award approval purposes.

### How are Board Meeting scheduled?

- Due to the nature of economic development, Board meetings are scheduled as needed. When scheduling a Board meeting, the Board Assistant will reach out to Board members via email with several dates and times in order to schedule a meeting that meets the quorum requirements.
- Once the meeting has been selected, Board Assistant will send out an email and calendar invite confirming the date and request that Board members confirm their continued availability for that date. We ask that Board members confirm as soon as possible and notify the Board Assistant if there are any changes to that availability.

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Changes in attendance must be timely identified as no action can be taken by the Board unless quorum is met.

- The material for the board meeting will be emailed to the Board as soon as practicable by typically no later than 48 hours before the board meeting.

## What constitutes as quorum for the WEDC Board?

- A majority of the appointed members of the Board currently serving constitutes a quorum for the purpose of conducting business and exercising its powers and for all other purposes.

## What if I identify a potential conflict of interest?

- To ensure confidence in the integrity of the WEDC process, Board members have a responsibility to respect and adhere to both the State of Wisconsin and WEDC's ethics codes. Please reference the "Board Ethics Policy" included in your Welcome Binder or click on the following link for detailed information regarding your ethical obligation: [Board Ethics Policy](#)
- When reviewing the materials provided for the Board meeting, please review carefully to identify any potential or perceived conflicts of interest. Board members must promptly disclose any conflicts of interest the Board Assistant, who will connect you with WEDC's CEO or CLO and will provide further guidance.

## What do I do if the conflict is confirmed?

- If the conflict of interest is confirmed, you will receive further guidance from WEDC staff. Under law, you will be required to recuse yourself from performing any official function in regard to that particular conflict.
- As it relates to board meetings, you will be required to recuse yourself from any discussion or vote associated with the confirmed conflict. You will be reminded before each meeting to contact Board Assistant if you need to recuse yourself from a vote. To ensure quorum is met, please review the meeting materials and report confirmed conflicts to the Board Assistant as soon as you are able.

## III. THE MEETING ITSELF

### What should I remember to do while making a motion at a Board meeting?

- It is very important to **state your name** when voting or making a motion at a meeting. The Board Assistant will be taking minutes of the meeting and must properly document these actions.

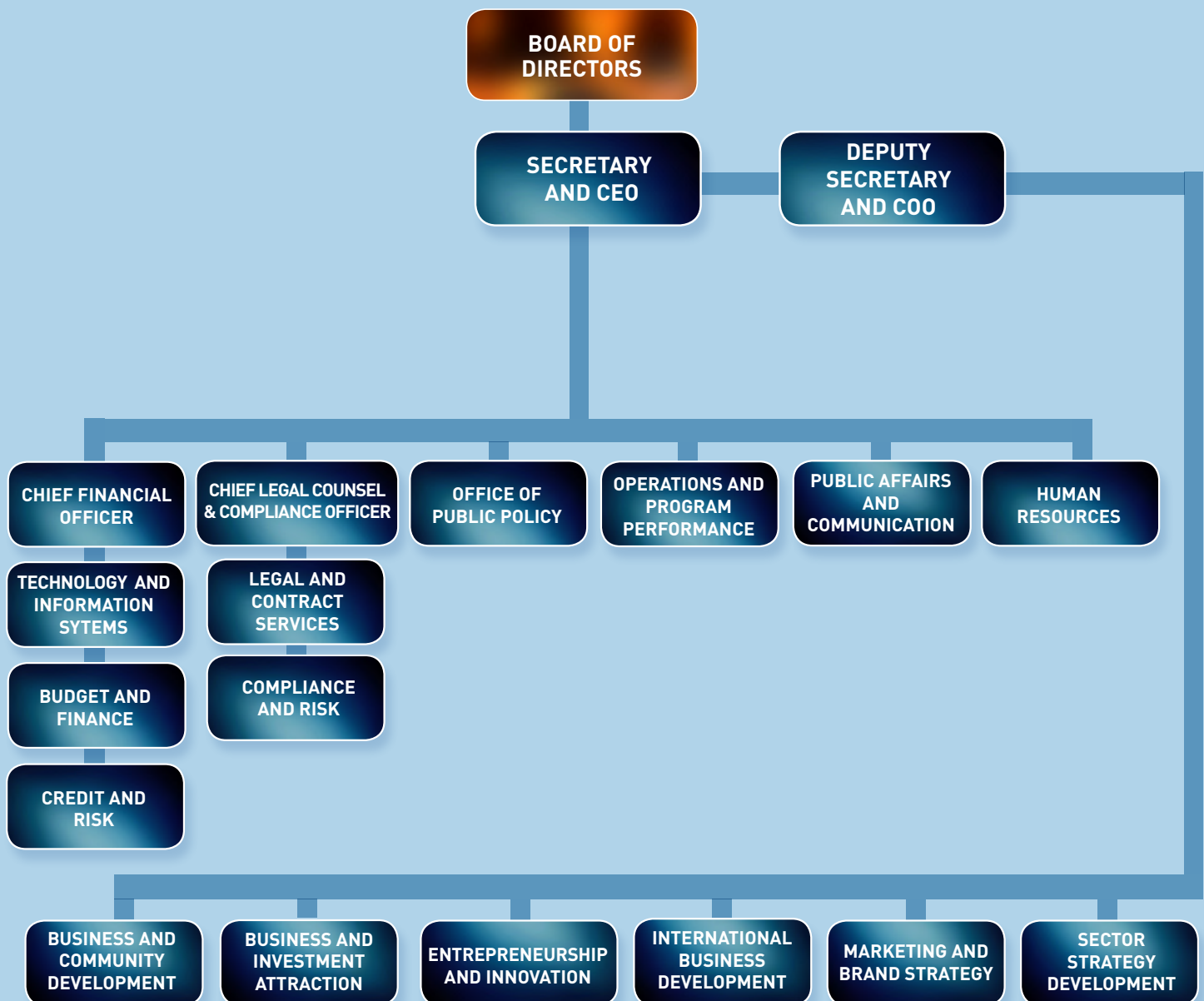
**THINK·MAKE·HAPPEN.**





WISCONSIN ECONOMIC  
DEVELOPMENT CORPORATION

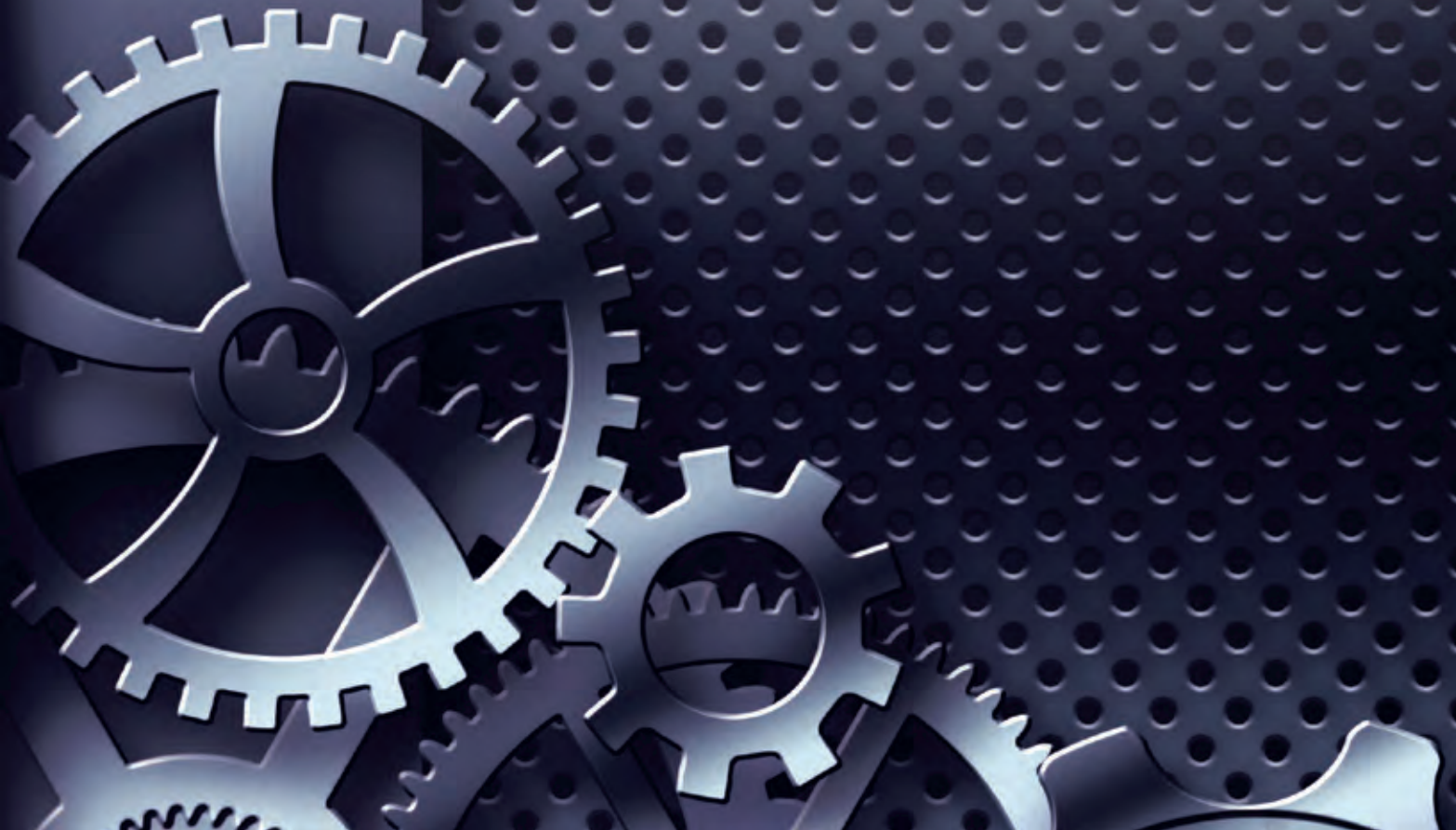
# ORGANIZATIONAL CHART





FISCAL YEAR  
2019

# OPERATIONS PLAN AND BUDGET





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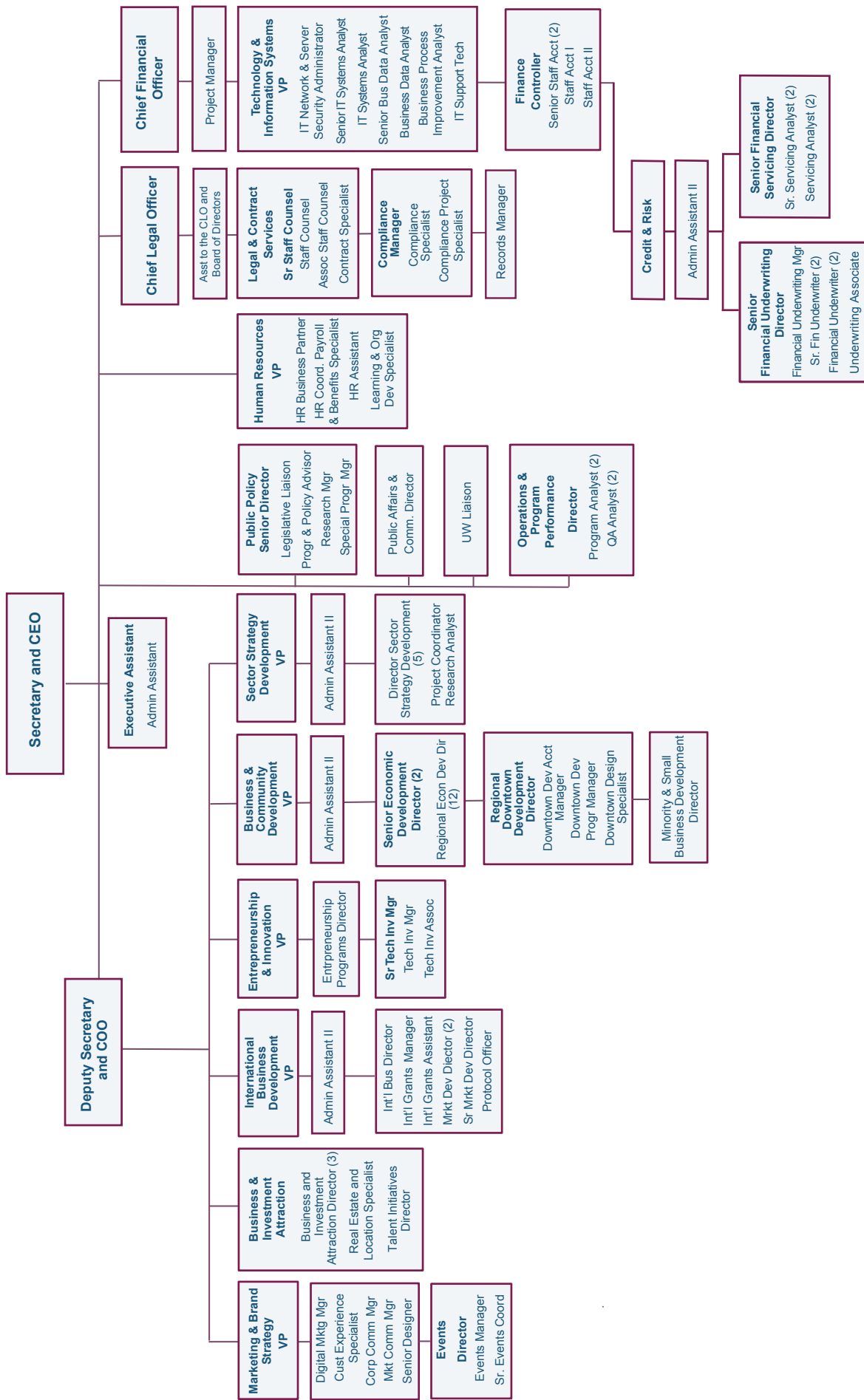
# DIRECTORY OF OFFICIALS

## BOARD OF DIRECTORS

Lisa Mauer	Chair
Nancy Hernandez	Vice-Chair, Secretary
David J. Drury	Treasurer
Raymond Dreger	Board Member
Sen. Daniel Feyen	Board Member
Sen. Caleb Frostman	Board Member
Randy Hopper	Board Member
Rep. Rob Hutton	Board Member
Jim Ladwig	Board Member
Rep. Dana Wachs	Board Member
Vacant	Board Member
Vacant	Board Member
Richard G. Chandler	Ex-Officio – Secretary, Department of Revenue
Ellen Nowak	Ex-Officio – Secretary, Department of Administration

## ADMINISTRATORS

Mark R. Hogan	Secretary and Chief Executive Officer
Tricia R. Braun	Deputy Secretary and Chief Operating Officer
Jennifer Jin	Chief Legal Officer
Brian Nowicki	Chief Financial Officer
Aaron Hagar	Vice President of Entrepreneurship and Innovation
Anne Jesko	Vice President of Human Resources
Barbara LaMue	Vice President of Business and Community Development
Kelly Lietz	Vice President of Marketing and Brand Strategy
Vincent Rice	Vice President of Sector Strategy Development
Joshua Robbins	Vice President of Technology and Information Systems
Katy Sinnott	Vice President of International Business Development
Amy Young	Senior Director of Public Policy





# SECRETARY MESSAGE

As Wisconsin's lead economic development organization, the Wisconsin Economic Development Corporation coordinates our programs, initiatives and investments with a wide range of stakeholders throughout the state. Input from business owners, elected officials, educators and local and regional economic development partners helps us develop and implement strategies designed to spur Wisconsin's economic performance and fulfill WEDC's mission: **To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment.**

WEDC's economic development strategies are built upon five key Catalysts of Economic Growth:

**WEDC's economic development strategies are built upon five key Catalysts of Growth:**

- **Strategic Economic Competitiveness**
- **Business Development**
- **Community and Economic Opportunity**
- **Brand Development and Management**
- **Operational and Fiscal Excellence**

WEDC's fiscal year 2019 (FY19) budget of \$66.6 million represents a decrease in sources and uses of 2 percent over the amended fiscal year 2018 (FY18) budget. For FY19, WEDC will use a portion of its unrestricted reserves and repayments of loan principal to support a balanced budget.

WEDC's FY19 operations plan builds on our programs that have successfully helped businesses grow in or relocate to Wisconsin. In addition, these programs are integral in assisting communities in maintaining their distinctive character. They also provide the resources and education necessary to align worker skills with evolving, high-tech business needs.

With more people employed in Wisconsin than ever before, it is increasingly important to retain and attract talented workers. Finding qualified workers to fill open positions was cited as a challenge affecting business performance by 80 percent of respondents to a recent Wisconsin Manufacturers and Commerce survey. To address Wisconsin's worker shortage, WEDC, in collaboration with the Wisconsin Department of Tourism, the Wisconsin Department of Workforce Development, the Wisconsin Department of Veterans Affairs and the Wisconsin Department of Military Affairs, has launched a multi-million-dollar marketing campaign to promote the unmatched opportunities Wisconsin offers for career and personal fulfillment. This initiative leverages a \$6.8 million appropriation approved by the Wisconsin State Legislature in April 2018 to attract new workers to the state, with specific emphasis on Midwest millennials, alumni from Wisconsin's academic institutions, and transitioning veterans. The initial phase of this marketing campaign began in January 2018, and WEDC's FY19 marketing budget includes the remaining \$5.3 million of this appropriation.

This talent attraction effort complements workforce development and retention programs that remain a priority for WEDC and our network of economic development partners—from continued investments in Fab Labs throughout the state to equip students with the technical skills needed for 21st century jobs to funding for an online portal—INSPIRE—that connects students to local employers and mentors. WEDC has also recently created and filled a Talent Initiatives Director position that is shared with the University of Wisconsin-System. The goal of this position is to strengthen collaboration between statewide stakeholders devoted to maintaining Wisconsin's workforce excellence.

With this year's operations plan and budget, WEDC also gives special attention to the challenges facing rural communities throughout the state. WEDC has modified its existing program guidelines to make funding more accessible to communities within rural counties, which are defined as counties with populations densities of fewer than 155 residents per square mile. Businesses and communities within the Wisconsin's 58 "Designated Rural Counties" will benefit from enhancements to WEDC's programs, including Business Development Loans, Brownfields Grants, Site Assessment Grants, Idle Sites Redevelopment Grants, and Community Development Investment Grants. In addition, we are planning to pilot a partnership with Wisconsin Business Development to provide KIVA loans in Main Street communities targeted specifically to minority-, women- and veteran-owned small businesses.

Rural communities will also benefit from a new Disaster Recovery Microloan Program WEDC is introducing in FY19. This statewide program will provide grants to pre-approved regional entities with the capacity to employ rapid-response microloans to businesses affected by disasters, either natural or manmade.

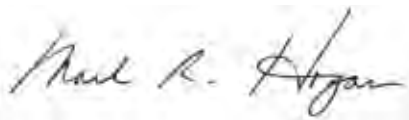
WEDC makes every effort to maximize our investments in the economic development programs we administer while keeping operational costs in check. However, the distinction between program funding and operational expenses is not always clear cut. WEDC invests heavily in tools that help our regional and local partners operate more efficiently and more effectively. When we negotiate a single contract with a consultant to certify properties throughout the state as development ready, such costs are included in WEDC's operational expenses, even though the benefits of this initiative are felt throughout the state.

To reflect the wide-ranging impact of such investments that WEDC makes on behalf of Wisconsin's economic development network, we have redefined and expanded a budget category that has historically been applied to limited training investments: Extended Enterprise. Included in our \$423,000 Extended Enterprise Budget for FY19 are site certification services; economic development modeling software; customer relationship management systems; training resources; talent development initiatives; and an entrepreneur resource portal, all of which we make available to our network partners.

Full details of WEDC's investments are included in this plan, which reflects an organizational structure and investment strategy designed to deliver significant, measurable economic results for Wisconsin and its citizens. We look forward to sharing our outcomes in the Annual Report on Economic Development, which we publish each year in October.

Thank you for your support of WEDC's mission and for helping to move Wisconsin Forward.

Sincerely,



Mark R. Hogan  
Secretary and Chief Executive Officer



# MISSION

To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment.

## CATALYSTS OF ECONOMIC GROWTH

When a state's economic partners work together, the whole system is stronger and its output is more robust. WEDC works with more than 600 partners across the state, including regional economic development organizations, academic institutions and industry cluster leaders. WEDC's economic development strategies are built upon five key **Catalysts of Economic Growth**:



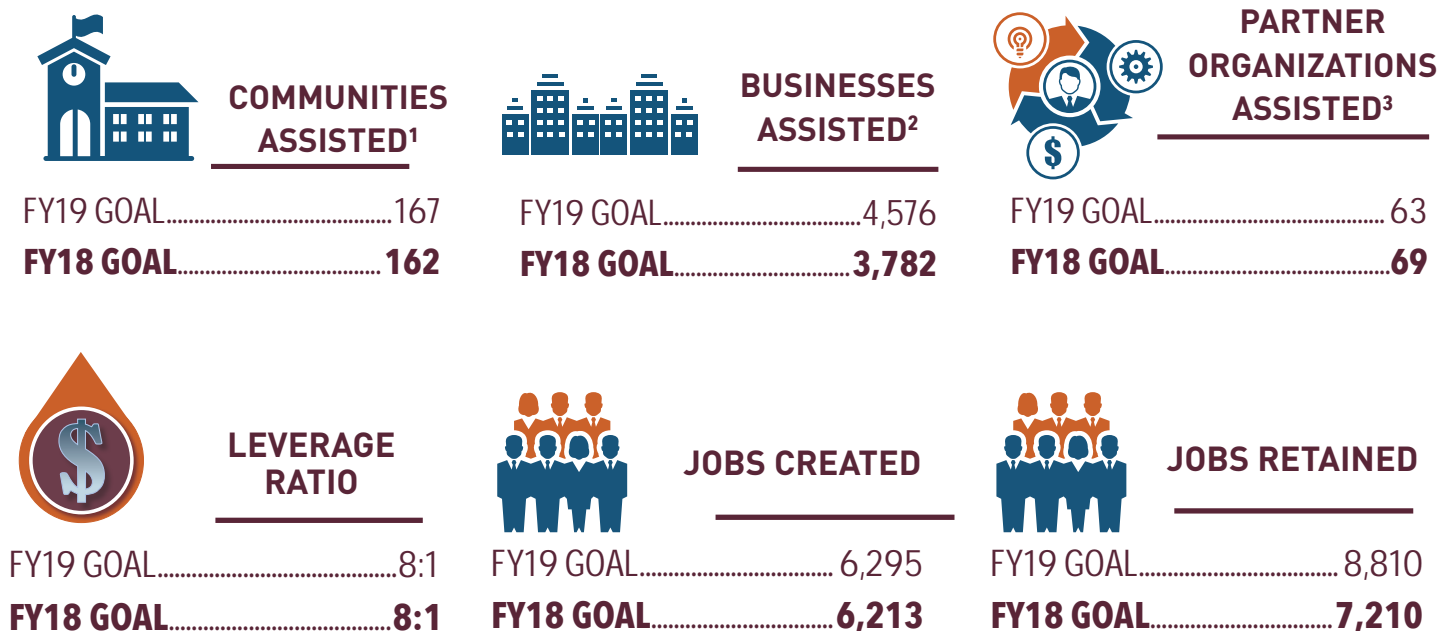
# SUCCESS MEASURES

Economic development is a disciplined public service designed to remove barriers, fulfill opportunities and attract investment that would not be feasible from a financial, competitive or timing perspective without public assistance. A key criteria WEDC considers when assessing a project is the return on investment it will deliver to the state.

WEDC's economic development initiatives include tax credits for investments in early-stage companies to export readiness programs, industry cluster advancement strategies and downtown redevelopment financing.

Clear, real-time measurable outcomes result from funding (grants, tax credits and loans) WEDC provides to companies that make significant capital investments in Wisconsin that result in the retention or creation of jobs. But this is only part of the story.

## WEDC FY19 PERFORMANCE GOALS



<sup>1</sup>Sum of division goals in FY19 equals 203. That number was reduced by 20 percent to account for multiple assistances to one community.

<sup>2</sup>Sum of division goals in FY19 equals 4,727. That number was reduced by 20 percent to account for multiple assistances to one business.

<sup>3</sup>Sum of division goals in FY19 equals 70. That number was reduced by 10 percent to account for multiple assistances to one partner.

To balance our responsibility to protect taxpayer money with the inherent risks associated with pursuing new business development opportunities, WEDC requires significant co-investment in the majority of the initiatives we fund. It is important that we not be the sole or even the majority investor in a project. In FY19, we project a leverage ratio of 8-to-1 (\$8 of outside investment for every \$1 of WEDC funds) across all of our financial investments.

When a company spends millions of dollars on an expansion project, much of that money is pumped into the local economy through the direct purchasing of contractor services. Oftentimes, an increase in jobs in one industry will create offshoots in other industries, resulting in a jobs multiplier effect.

# BUDGET OVERVIEW

## What is the purpose of a budget?

The budget serves as a tool to facilitate: 1) the alignment of resources with organizational objectives, 2) governing body oversight, 3) management oversight, and 4) communication to external stakeholders about WEDC priorities and activities.

## What is the process for developing and adopting the budget?

For FY19, which is the second year of the state's 2017-19 Biennial Budget, WEDC's budget process began in February, 2018 after the first six months of actual results had been finalized. Budget worksheets showing the previous two years' actual results, six months of current year results and the current year's budget were developed. The Finance Department, in coordination with the Human Resources Department, calculated the salary and benefits amounts for all departments based on the current staffing levels and authorized open positions.

All department heads are responsible for completing projections for the current year by the end of March. Final budget decisions are made in June, after updated financial projections for FY18 are completed.

The Budget and Finance Committee then meets at the end of June to review the final budget and recommend approval of the budget to the Board of Directors. The Board of Directors reviews and adopts the budget at their July meeting.

## How is the budget presented?

There are many ways financial information can be presented and summarized for annual financial reporting, interim reporting and budgeting. The three most common ways are by: 1) department, 2) function, and 3) object.

**Departmental reporting** means financial information is summarized by the department that controls the expenditures or that is the most knowledgeable about the costs incurred. This can also be thought of as operational reporting because the costs are reported along the organizational structure. The departments used by WEDC are shown below.

Much of the operational plan is organized around individual departments and each department is responsible, with oversight from Finance, for developing and monitoring their operational plan and budget requests.

### WEDC Divisions/Departments

- Legal and Compliance – 1100
- Executive Office – 1200
- Operations and Program Performance – 1300
- Entrepreneurship and Innovation – 2000
- Business and Community Development – 3000
- Business and Investment Attraction – 3500
- Sector Strategy Development – 4000
- Marketing and Brand Strategy – 5000
- Human Resources – 6100
- Finance – 6200
- Technology and Information Systems – 6300
- Credit and Risk – 6600
- International Business Development – 7000
- Office of Public Policy – 8000

**Functional reporting** is a nationally recognized standard way of grouping departments into larger categories to aid in the comparison between organizations. WEDC is required under generally accepted accounting standards as applied to governments to report our financial results by function in our annual financial statements. The table below shows the function in which each department is grouped for financial reporting purposes.

WEDC Division	Departments	Functions
Legal and Compliance	1100	General Administration
Executive Office	1200	
Operations and Program Performance	1300	
Human Resources	6100	
Finance	6200	
Technology and Information Systems	6300	
Credit and Risk	6600	
Office of Public Policy	8000	
Entrenpreunership and Innovation	2000	Economic Development
Business and Community Development	3000	
Business and Investment Attraction	3500	
Sector Strategy Development	4000	
International Business Development	7000	
Marketing and Brand Strategy	5000	Marketing
Capital related costs within any department		Capital Outlay
Principal or interest payment within any department		Debt Service

**Object level reporting** is useful to show expenditures at an organization-wide level rather than by the specific department that oversees the activities. Non-governmental financial reports for service organizations typically present expenses in categories based on the nature of the expense, such as salaries, benefits, rent, supplies, or training. These natural expenses are then often grouped into larger categories for financial reporting; this is often called object level reporting. Non-profits also follow this method, often using three main objects: program/service, management and general, and fund- raising. This is often a more useful way of reviewing expenditures for external stakeholders.

### WEDC Object Categories

- Program grants
- Loan loss reserve – collectable
- Loan loss reserve – performance based
- Key strategic partners
- Promotions
- Payroll and benefits
- Operational and general
- Pass-through federal grant expenditures
- Capital
- Debt service

## **How is the budget formally adopted?**

WEDC adopts the annual budget at the departmental level. Under this method, department heads are responsible for ensuring their department stays within budget. This means that an individual department may overspend in one account as long as they underspend in another area. This allows management to track and hold department heads accountable for their spending and activities, while still providing flexibility to adjust to changing factors during the year.

While WEDC adopts the budget by department, most of our interim financial reports focus on reporting by object category. This is done because often those categories are more meaningful to how WEDC is carrying out our mission. This budget document will present information using both levels of reporting to facilitate understanding of how resources are allocated and how management monitors and controls spending.

The FY19 budget presented shows only how WEDC plans to spend new funds or funding from reserves for current year awards or operations. WEDC also has commitments and contracts made to awardees in previous years that have not been fully disbursed at the start of the budget year. The exact amount of these open commitments and contracts is not fully determinable until after the close of FY18 activity. Since these awards were funded in previous years the funding is available and included in WEDC's equity position at the beginning of the budget year. The budget resolution will provide authorization and funding for these existing awards as well.

## **How are amendments approved?**

When it is determined that an individual department may need to exceed its budget in aggregate, a budget amendment will be requested and approved by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board of Directors.

When it is determined that funds may need to be transferred between departments, a budget amendment will be requested and approved by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board of Directors.

When it is determined that funds may need to be transferred within a department, but the transfers do not exceed its total budget in aggregate, a budget amendment memo will be requested and approved by the CEO.

# FINANCIAL OVERVIEW AND BUDGET SUMMARY

The budget summary can be found on pages 23-24. It includes a summary by object and a summary broken out by department.

## Revenue categories shown include the following:

**State General Purpose Revenues (GPR)** – revenues are received from the State of Wisconsin budget appropriation that were primarily collected through taxes such as individual income, sales, excise, corporate and other State of Wisconsin levied taxes.

**State Economic Development Fund (SEG)** – revenues that are received from the State of Wisconsin that were collected through a 3% of gross tax levy on corporations.

**State Brownfield Site Assessment** – revenues that are received from the State of Wisconsin that were collected through the environmental fund. These revenues are restricted for use on the Brownfield Site Assessment Grant.

**Other Intergovernmental Revenues** – intergovernmental revenues are those received from another level of government, including federal revenues. State GPR, SEG and Brownfield Site Assessment revenues are also forms of intergovernmental revenues. However, due to the size and importance of those revenues, they are shown separately.

**Interest on Loans** – represents interest earned on outstanding collectable loan balances.

**Charges for Services** – revenues collected for loan origination fees, bond servicing fees, tax transfer fees and sponsorship contribution.

**Interest on Investments** -represents interest earned on investments, and market value adjustments needed to report investments at market value rather than purchase cost or face value.

**Other Revenues** – generally revenues that do not fall into one of the other categories above or are one-time in nature.

## Expenditures are shown by object category for the organization as a whole. The following objects are used:

**Program Grants** – represents financial grant awards to be made during the year. This budget does not include tax or investor tax credits as WEDC does not make cash payments for these credits.

**Loan Loss Reserve - Collectable** – this is a provision for bad debt on loans that WEDC collects. The reserve is based on outstanding loan balances by program and are evaluated for risk of non-payment at the program and individual loan level.

**Loan Loss Reserve – Performance Based** – this is a provision for loans that WEDC would expect to forgive, based on the loan recipient meeting all contractual performance obligations. The reserve is 100% of the outstanding loan balance.

**Key Strategic Partners** – represents funding for awards to other organizations that function as an extension of WEDC, such as regional economic development organizations and minority chambers of commerce.

**Promotions** – includes marketing related expenses that promote the State of Wisconsin and WEDC programs.

**Payroll and Benefits** –includes expenditures for salaries, wages, benefits such as health and life insurance, pension, payroll taxes, unemployment, employee recruitment and professional development.

**Operations and General** – includes expenditures not included in another category, such as office expense, supplies, rent, general insurance, professional services and travel.

- **Extended Enterprise** – Starting in FY19, all expenses for consulting, tools and training WEDC provides to its business and community development partners to foster a high-performing economic development network, have been segregated out into an Extended Enterprise account, which is rolled up to the Operations and General object.

**Pass-Through Federal Grants** – includes expenditures related to federal grant activity that WEDC administers that is not associated with a program activity.

**Capital** – under governmental accounting for general governmental activities, capital or fixed assets are reported as expenditures in the period purchased. The capital category includes one-time purchase costs such as for vehicles, software or leasehold improvements.

**Debt Service** – expenditures include principal and interest payments on long term debt and capital leases.

The budget summary includes FY17 actual results, projected allocated expenditures, the previous year's budget for new funds and the proposed budget. Projected allocated expenditures include accounting expenditures as well as commitments and open contracts. To better understand what this means we need to understand the award process.

Awards are encumbered as part of the fund balance when they are first approved (i.e., committed), even though the awardee may have several years to request payment(s). Because of this significant time lag, it is important to understand the stages a grant and loan award progresses through, from a financial perspective.

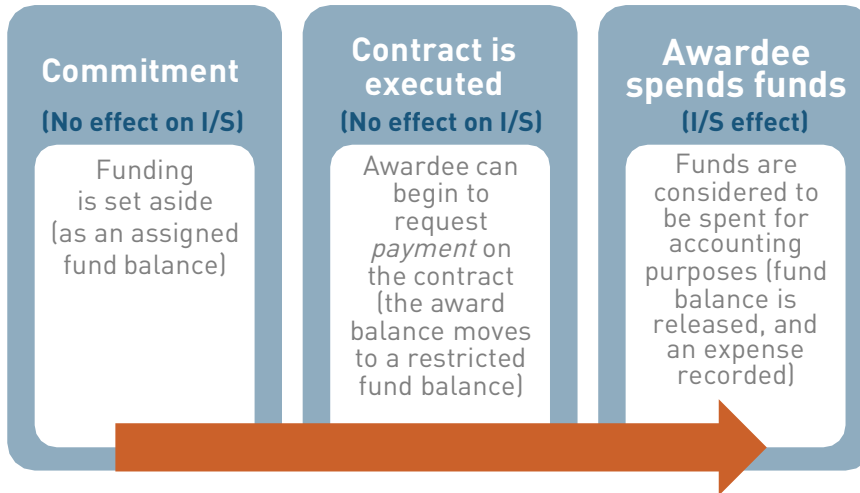
## What are the stages of a grant award?

A commitment represents an award that has been fully approved through WEDC's award process. At this stage, WEDC is in the process of contracting or negotiating final contract terms with the awardee. We expect that the majority of our commitments will become contracts in the very near term. Once a commitment has been made, we set funding aside in the fund balance to satisfy that commitment.

Once the contract has been fully executed (signed) by the awardee and WEDC, it is contracted. The awardee can begin requesting payment under the terms of the award at this stage. Payments on contracts are called expenditures. Oftentimes the entire award is not paid out all at one time. The remaining unpaid balance on a contract is called the open contract or award balance and remains as a set aside in the fund balance

In summary, for financial accounting purposes only the amounts that have been paid on an award grant are considered to be expended. However, WEDC sets funds aside in its fund balance for an award once we have made the commitment to the awardee. The graphic below summarizes these ideas:

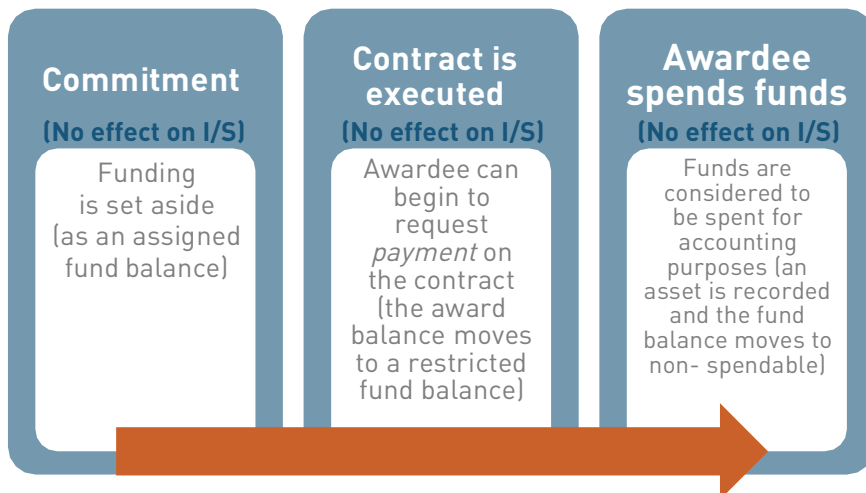
## STAGES OF A GRANT AWARD



### What are the stages of a loan award?

The awarding of loans represents a commitment first, and then a contract, just like a grant award. Both of these processes represent a financial transaction because funding is set aside as an assigned fund balance when a commitment is first made, and later as a restricted fund balance when the contract is executed. Once a loan is drawn by the awardee, it becomes an asset to WEDC. It results in another move in the fund balance, from a restricted fund balance to a non-spendable fund balance. Similarly, when WEDC receives payments back from an awardee on a loan, the principal repayment reduces the loan asset balance and the non-spendable fund balance is released.

## STAGES OF A LOAN AWARD



In summary, while loan draws do not result in expenditures and repayments do not result in revenues, they do represent the use or receipt of financial resources and accordingly do have an impact on the composition of WEDC's fund balance. Loan draws increase the nonspendable category of fund balance, while loan repayments decrease the nonspendable category. Fund balance can be thought of as WEDC's equity position. The specifics of the various categories of fund balance are described below, and all of the categories of fund balance used by WEDC are shown on the budget summary.

In order for WEDC to best manage our financial position, including understanding the commitments, open contracts and loans that have been made, WEDC focuses on fund balance.



## What are the categories of fund balance?

**Non-spendable** – used for amounts that cannot be spent, such as prepaid expenses, and long-term receivables. The majority of WEDC’s non-spendable fund balance represents outstanding loan balances.

**Restricted** – unspent funds with third party constraints on their use, including open award contracts. WEDC also receives Brownfield Site Assessment and State Small Business Credit Initiative (SSBCI) funding which can only be spent on those specified programs.

**Assigned** – these are amounts that are intended to be used for a specific purpose. Amounts included in the assigned category on the budget summary include funds set aside for:

- open commitments,
- outstanding loan guarantees,
- estimated amount owed to the State for a long-term note payable incurred under the Department of Commerce for pension obligation, and
- other amounts expected to be used in the next year’s budget.

**Unassigned** – any remaining equity after all other categories have been calculated. WEDC targets unassigned fund balance to be two months of operating expenditures.

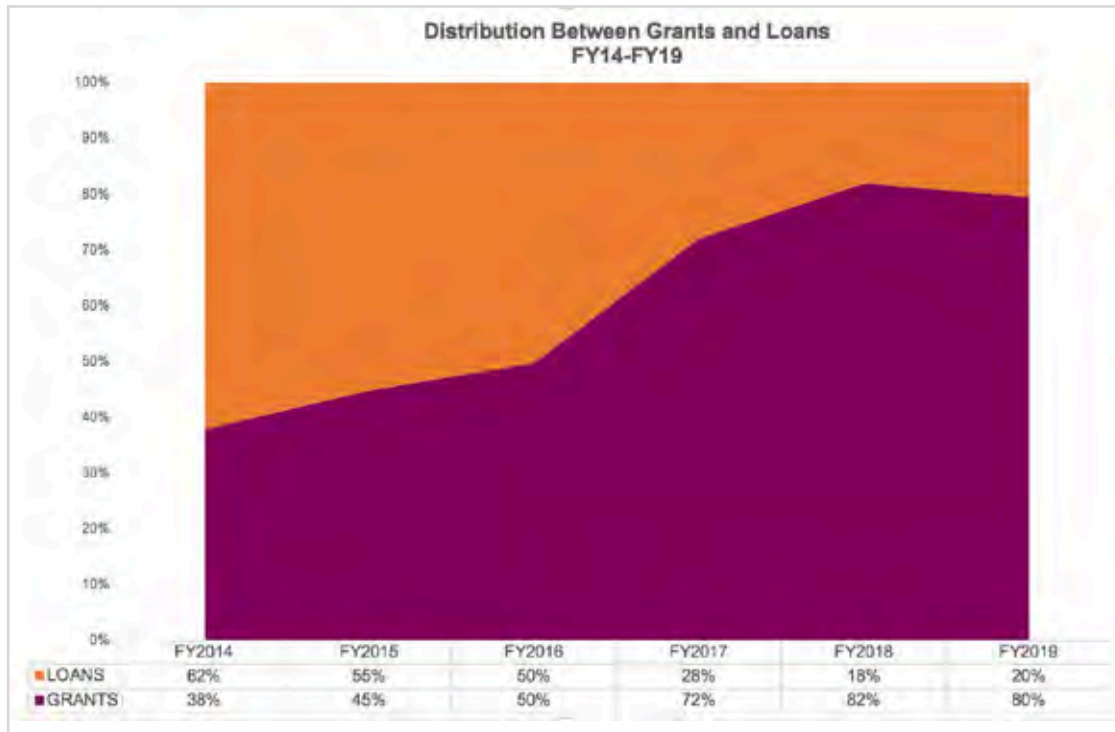
# OPERATIONAL OVERVIEW



# OVERVIEW OF PROGRAMS

The budget summary provides a good overview of WEDC’s budget request and the impact of the budget on WEDC’s overall financial position. The following page is intended to provide more detail on the economic development programs that are included in the FY19 budget. The first section lists the program grants. These are followed by the loan programs which are not considered to be expenditures, but are assets to WEDC, so they are not included in the budget summary directly.

The chart below shows the distribution between program grants and loans for FY14 through the proposed budget. Significant programmatic budget changes are as follows:



**Workforce Training Grants** – The grant program will be receiving \$0.7 million more in program allocation in FY19 to help companies improve the skills of their workforce.

**Site Assessment** – The grant program will be receiving \$350,000 more in funding to address anticipated demand in FY19. The 2017-19 Biennial State Budget had set aside \$1 million for Site Assessment grants annually. WEDC provided an additional \$150,000 in funding for FY18 and will be providing an additional \$0.5 million in funding for FY19.

**Minority Business Development** – The grant program will be provided \$150,000 in funding in FY19 to support three organizations that assist underserved communities.

**Idle Sites Redevelopment** – The grant program will be receiving \$1 million less in program funding to adjust to the expected demand for the program in FY19.

**Community Development Investment** – The grant program will be receiving \$0.9 million less in program funding to adjust to the expected demand for the program in FY19. Demand in FY18 was high, however, as we started the fiscal year with a \$3 million budget, and increased it twice during the fiscal year, to arrive at \$5.9 million.

**Brownfields** – The grant program will be receiving \$0.6 million less in program funding to adjust to the expected demand for the program in FY19. Demand in FY18 was high, however, as we started the fiscal year with a \$4 million budget, and increased it to \$5.6 million.

**Capacity Building** – The grant program will be receiving \$250,000 less in program funding, as those funds are being reallocated to Regional Economic Development Organizations Key Strategic Partnership to centralize funding.

## FINANCIAL OVERVIEW

This section focuses on the consolidated information of WEDC, and includes the following information:

1. Revenue and Expenditures by Object
2. Revenue and Expenditures by Department
3. Program Grant and Loan Allocations
4. Further Expenditure Breakout of Expenses by Department

Individual department budgets are also further presented and discussed within the departmental operations plan.

The discussion of the changes below follows the **Revenue and Expenditures by Object** format:

### **REVENUES – Decreasing \$82,000 (<1%) from FY18. The primary changes are:**

- (\$390,000) decrease in the total amount of State funds (collectively from the State General Purpose Revenue, State Economic Development Fund, and State Brownfield Site Assessment funds).
  - The 2017-19 Biennial Budget includes an increase in funding for FY19 of \$6.3 million (compared to FY18).
  - This is offset by the \$6.8 million received in FY18 for the Talent Attraction and Retention initiative, that will be used/expensed primarily in FY19, but whose revenue was recognized in FY18 when payment was received.
- \$480,000 increase for Interest on Investments, as interest rates are expected to rise in FY19.

### **EXPENDITURES – Decreasing \$2.2 million (4%) from FY18. The primary changes by expense category are:**

#### **Program Grants – Decreasing \$1.9 million (<7%)**

- Workforce Training Grant (WTG) program will be receiving \$0.7 million more in program allocation in FY19 to help companies improve the skills of their workforce.
- Site Assessment Grant (SAG) program will be receiving \$350,000 more in funding to address anticipated demand in FY19. The 2017-19 Biennial State Budget had set aside \$1 million for SAG grants annually. WEDC provided an additional \$150,000 in funding for FY18 and will be providing an additional \$0.5 million in funding for FY19.
- Minority Business Development (MBD) program will be provided \$150,000 in funding in FY19 to support three organizations that assist underserved communities.
- Idle Sites Redevelopment (ISR) grant program will be receiving \$1 million less in program funding to adjust to the expected demand for the program in FY19.
- Community Development Investment (CDI) grant program will be receiving \$0.9 million less in program funding to adjust to the expected demand for the program in FY19. Demand in FY18 was high, however, as we started the fiscal year with a \$3.0 million budget, and increased it twice during the fiscal year, to arrive at \$5.9 million.
- Brownfield (BF) grant program will be receiving \$0.6 million less in program funding to adjust to the expected demand for the program in FY19. Demand in FY18 was high, however, as we started the fiscal year with a \$4 million budget, and increased it to \$5.6 million.
- Capacity Building (CB) grant program – will be receiving \$250,000 less in funding, as those funds are being reallocated to Regional Economic Development Organizations Key Strategic Partnership to centralize funding.

#### **Loan Loss Reserve Expense – Decreasing \$4.2 million (81%)**

- The performance-based loan reserve expense will be reduced to \$0 in FY19, as the last performance-based loan (which was committed in FY17) drew its remaining funds in FY18.

- The collectable loan reserve expense is expected to decrease by \$2.7 million (73%) based on new origination activity.

#### **Key Strategic Partners – Increasing \$0.3 million (7%)**

- Additional funds will be provided to Regional Economic Development Organizations Key Strategic Partnerships from Capacity Building grant program to accommodate current business needs.

#### **Marketing/Promotions – Increasing \$3.2 million (62%)**

- The Talent Attraction and Retention initiative funding of \$6.8 million is broken out between FY18 (\$1.2 million) and FY19 (\$5.6 million). That difference in expected expenditures, year over year, is a \$4.4 million increase. Further reducing that year over year increase are marketing and promotional expenses related to the “Think. Make. Happen” campaign that were non-recurring expenditures in FY18.

#### **Payroll – Increasing \$0.9 million (9%)**

Assumptions for FY19:

- An increase of four Full Time Positions, filling new roles in the Credit & Risk, Executive Office, International Business, and Human Resources divisions.
- 3% for pay increases
- 1% for merit awards
- 3% health insurance premium increases
- 2% for professional development

#### **Operations and General – Increasing \$0.2 million (4%)**

- Includes additional funding for WEDC’s biennial Legislative Audit Bureau audit fee and for International Business Development division’s travel expenditures related to FY19 Global Trade Ventures.
- Extended Enterprise increases due to development of a new statewide digital entrepreneurship platform.

#### **Pass-through federal grant expenditures – Decreasing \$0.1 million (6%)**

- WEDC received a federal grant from the Department of Defense in FY16, which will end on December 31, 2018. The offsetting revenue to be received has also been budgeted for.

#### **Capital and Debt Service – Decreasing \$0.1 million (6%)**

- WEDC’s portion of the State pension liability is expected to decrease substantially in FY19 as the FY18 scheduled principal balloon payment was made.

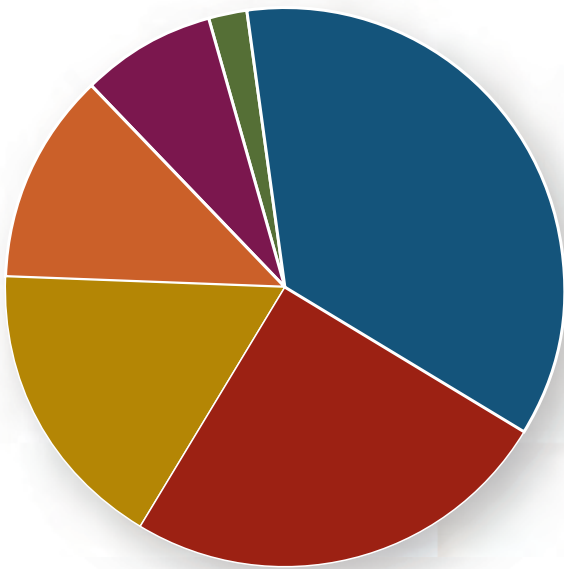
**Program Loans – Increasing by \$0.5 million (8%)** from \$6 million in FY18 to \$6.5 million in FY19, due to the availability of funds.

- \$0.5 million increase in the Business Development Loan (BDL) Fund, from \$1 million in FY18 to \$1.5 million in FY19. The BDL has started to see pipeline activity in the second half of FY18.
- The Technology Development Loan Fund (TDL) program budget is level at \$5 million.
- Loan activity does not directly affect budgeted expenditures, other than through the loan loss reserve. However, the combination of Program Grants and Loans activity does represent the total direct economic development activity using WEDC revenue sources.



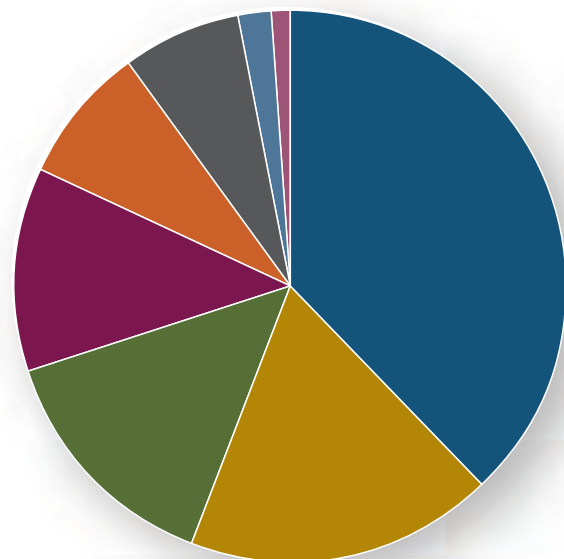
## FUND BALANCE

- To achieve a balanced budget for FY19, WEDC will be using \$11.5 million of our current fund balance and future expected loan principal payments as fund sources in FY19.
- While it was initially expected that by the end of FY18, we would have effectively maintained an unassigned fund balance approximating 1/6th our annual operating budget, thereby not having additional fund balance to apply to the FY19 Budget, the receipt of the \$6.8 million in Talent Attraction and Retention initiative funds and the addition of award fund lapses and program funding that will not be committed in FY18, will allow us to use current fund balance sources to cover expected FY19 budget deficits.



### SOURCES OF FUNDS \$66.6 MILLION

- 36% – Economic Development Fund (SEG)
- 25% – General Revenue Purpose
- 17% – Fund Balance
- 12% – Loan Principal Repayments
- 8% – Other Revenue
- 2% – Site Assessment Grants



### USES OF FUNDS \$66.6 MILLION

- 38% – Program Grants
- 18% – Payroll and Benefits
- 14% – Loans, net
- 12% – Promotions
- 8% – Operations and General
- 7% – Key Strategic Partners
- 2% – Pass Through Fed Grants
- 1% – Capital and Debt Service

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Budget Summary - By Object

	FY 17 Actual	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Revenues</b>								
State General Purpose Revenue	\$ 12,474,700	\$ 1,519,500	\$ 1,519,500	\$ 2,719,500	\$ 8,319,500	\$ 16,392,500	\$ 8,073,000	97%
State Economic Development Fund (SEG)	21,776,000	32,731,200	32,731,200	32,731,200	32,731,200	24,268,200	(8,463,000)	-26%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	1,699,810	1,028,590	1,028,590	2,504,316	2,504,316	2,322,412	(181,904)	-7%
Interest on Loans	1,665,556	1,475,000	1,475,000	1,475,000	1,475,000	1,650,000	175,000	12%
Charges for services	288,837	282,000	282,000	274,400	274,400	280,000	5,600	2%
Interest on Investments	156,972	425,000	425,000	425,000	425,000	905,000	480,000	113%
Other Revenues	194,591	201,602	311,602	451,600	451,600	280,726	(170,874)	-38%
Total Revenues	\$ 39,256,466	\$ 38,662,892	\$ 38,772,892	\$ 41,581,016	\$ 47,181,016	\$ 47,098,838	\$ (82,178)	0%
<b>Expenditures</b>								
Program Grants	15,977,765	22,364,000	25,264,000	27,305,000	27,305,000	25,372,000	1,933,000	7%
Loan loss reserve -Collectible	4,280,430	1,000,000	3,700,000	3,700,000	3,700,000	1,000,000	2,700,000	73%
Loan loss reserve - Performance Based	1,089,006	1,500,000	1,500,000	1,500,000	1,500,000	-	1,500,000	100%
Key Strategic Partners	3,499,409	4,352,500	4,352,500	4,352,500	4,352,500	4,657,500	(305,000)	-7%
Promotions	3,075,629	3,885,528	3,900,528	5,100,528	5,100,528	8,282,810	(3,182,282)	-62%
Payroll and Benefits	10,340,618	11,259,902	10,876,009	10,882,024	10,882,024	11,828,177	(946,153)	-9%
Operations and General	4,359,902	5,064,592	5,259,592	5,323,527	5,323,527	5,558,263	(234,736)	-4%
Pass-through federal grant expenditures	400,936	640,590	640,590	1,680,000	1,680,000	1,585,000	95,000	6%
Capital	291,761	124,000	124,000	64,050	64,050	80,000	(15,950)	-25%
Debt Service	202,674	850,000	850,000	850,000	850,000	210,000	640,000	75%
Total Expenditures	43,518,130	51,041,112	56,467,219	60,757,629	60,757,629	58,573,750	2,183,879	4%
Net Change in Fund Balance	(4,261,664)	(12,378,220)	(17,694,327)	(19,176,613)	(13,576,613)	(11,474,912)	(2,101,701)	15%
Beginning Fund Balance	107,944,061	95,911,038	103,682,397	103,682,397	103,682,397	90,105,784	13,576,613	13%
Ending Fund Balance	\$ 103,682,397	\$ 83,532,818	\$ 85,988,070	\$ 84,505,784	\$ 90,105,784	\$ 78,630,872	\$ 11,474,912	13%
<b>Projected Ending Fund Balance Composition</b>								
Nonspendable	38,991,331	43,622,682	39,651,782	39,651,782	39,651,782	37,538,586		
Restricted	41,738,825	20,014,063	38,938,657	38,938,657	44,538,657	34,176,713		
Assigned	3,964,935	16,365,403	3,274,488	3,274,488	3,274,488	2,656,477		
Program FYXX	15,728,097	-	-	-	-	-		
Unassigned	3,259,209	3,530,670	4,123,143	2,640,857	2,640,857	4,259,096		
Total	\$ 103,682,397	\$ 83,532,818	\$ 85,988,070	\$ 84,505,784	\$ 90,105,784	\$ 78,630,872		



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Budget Summary - by Department

	FY 17 Actual	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Revenues</b>								
State General Purpose Revenue	\$ 12,474,700	\$ 1,519,500	\$ 1,519,500	\$ 2,719,500	\$ 8,319,500	\$ 16,392,500	\$ 8,073,000	97%
State Economic Development Fund (SEG)	21,776,000	32,731,200	32,731,200	32,731,200	32,731,200	24,268,200	(8,463,000)	-26%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	1,699,810	1,028,590	1,028,590	2,504,316	2,504,316	2,322,412	(181,904)	-7%
Interest on Loans	1,665,556	1,475,000	1,475,000	1,475,000	1,475,000	1,650,000	175,000	12%
Charges for services	288,837	282,000	282,000	274,400	274,400	280,000	5,600	2%
Interest on Investments	156,972	425,000	425,000	425,000	425,000	905,000	480,000	113%
Other Revenues	194,591	201,602	311,602	451,600	451,600	280,726	(170,874)	-38%
Total Revenues	\$ 39,256,466	\$ 38,662,892	\$ 38,772,892	\$ 41,581,016	\$ 47,181,016	\$ 47,098,838	\$ (82,178)	0%
<b>Expenditures</b>								
Operational Divisions								
Entrepreneurship & Innovation - 2000	\$ 8,837,787	\$ 6,515,762	7,217,566	7,220,116	7,220,116	7,168,890	51,226	1%
Business and Community Development - 3000	15,271,962	18,955,648	23,908,003	26,535,743	26,445,743	21,736,581	4,709,162	18%
Business & Investment Attraction - 3500	731,624	888,303	894,191	894,191	894,191	837,544	56,647	6%
Sector Strategy Development - 4000	4,184,020	6,413,420	6,623,373	7,069,043	7,159,043	6,505,141	653,902	9%
Marketing & Brand Strategy - 5000	4,056,969	4,700,454	4,727,525	5,927,525	5,927,525	9,136,287	(3,208,762)	-54%
International Business Development - 7000	2,309,042	3,672,083	3,661,527	3,651,527	3,651,527	3,560,123	91,404	3%
Legal Services - 1100	1,002,658	1,136,668	1,253,281	1,253,391	1,253,391	1,111,566	141,825	11%
Executive Office - 1200	1,739,858	1,237,673	1,183,156	1,183,156	1,183,156	1,198,163	(15,007)	-1%
Operations & Program Performance - 1300	-	407,762	471,198	471,198	471,198	456,814	14,384	3%
Human Resources - 6100	1,139,335	1,503,681	1,401,286	1,439,889	1,439,889	1,564,634	(124,745)	-9%
Finance - 6200	870,773	1,464,277	1,439,804	1,439,786	1,439,786	954,913	484,873	34%
Information Technology - 6300	1,990,915	2,303,876	2,214,645	2,214,645	2,214,645	2,245,479	(30,834)	-1%
Credit and Risk - 6600	870,095	1,067,168	974,123	974,123	974,123	1,195,669	(221,546)	-23%
Office of Public Policy - 8000	513,092	774,337	497,541	483,296	483,296	901,945	(418,649)	-87%
Total Expenditures	\$ 43,518,130	\$ 51,041,112	\$ 56,467,219	\$ 60,757,629	\$ 60,757,629	\$ 58,573,750	\$ 2,183,879	4%
Net Change in Fund Balance	(4,261,664)	(12,378,220)	(17,694,327)	(19,176,613)	(13,576,613)	(11,474,912)	(2,101,701)	15%
Beginning Fund Balance	107,944,061	95,911,038	103,682,397	103,682,397	103,682,397	90,105,784	13,576,613	13%
Ending Fund Balance	\$ 103,682,397	\$ 83,532,818	\$ 85,988,070	\$ 84,505,784	\$ 90,105,784	\$ 78,630,872	\$ 11,474,912	13%
Projected Ending Fund Balance Composition								
Nonspendable	38,991,331	43,622,682	39,651,782	39,651,782	39,651,782	37,538,586		
Restricted	41,738,825	20,014,063	38,938,657	38,938,657	44,538,657	34,176,713		
Assigned	3,964,935	16,365,403	3,274,488	3,274,488	3,274,488	2,656,477		
Program FYXX	15,728,097	-	-	-	-	-		
Unassigned	3,259,209	3,530,670	4,123,143	2,640,857	2,640,857	4,259,096		
Total	\$ 103,682,397	\$ 83,532,818	\$ 85,988,070	\$ 84,505,784	\$ 90,105,784	\$ 78,630,872		

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**Program Grants and Loans**

Div.	Account No. and Name	FY 17 Actual	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	% Chg Favorable (Unfavorable)
<b>Program Grants</b>								
2000	6600.1 - Capacity Building Grants - E&I	\$ 497,384	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	0.0%
2000	6630 - Seed Accelerator	979,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
2000	6646 - Entrepreneur Micro Grant Program	200,000	200,000	250,000	250,000	250,000	250,000	0.0%
2000	6650 - Capital Catalyst	1,475,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.0%
2000	6731 - SBIR / STTR Matching Grant	1,000,000	1,000,000	1,350,000	1,350,000	1,350,000	1,500,000	11.1%
3000	6600 - Capacity Building Grants - BCD	420,743	500,000	500,000	500,000	500,000	250,000	-50.0%
3000	6620 - Workforce Training Grants	850,000	2,000,000	2,000,000	785,000	785,000	1,500,000	91.1%
3000	6670 - Minority Business Development RLF	750,000	-	-	-	-	-	0.0%
3000	6671 - Minority Business Development	-	-	-	-	-	150,000	100.0%
3000	6680 - Community Development Investment Grant	3,425,145	3,000,000	5,500,000	6,500,000	5,850,000	5,000,000	-14.5%
3000	6710 - Site Assessment Grants	871,496	1,000,000	1,000,000	1,000,000	1,150,000	1,500,000	30.4%
3000	6720 - Brownfield Grants	3,956,047	4,000,000	4,000,000	5,715,000	5,625,000	5,000,000	-11.1%
3000	6725 - Idle Sites Redevelopment	2,000,000	2,000,000	2,000,000	2,000,000	2,500,000	1,500,000	-40.0%
3000	6753 - Revolving Loan Fund - LEG	-	100,000	100,000	100,000	100,000	-	-100.0%
4000	6640 - Targeted Industry Projects Grants	1,970,200	3,000,000	3,350,000	3,886,000	3,976,000	3,800,000	-4.4%
4000	6754 - FabLab TA - LEG	-	100,000	-	-	-	-	0.0%
4000	6755 - Fabrication Laboratories	494,809	500,000	500,000	505,000	505,000	500,000	-1.0%
7000	6655 - Exportech	210,000	214,000	214,000	214,000	214,000	222,000	3.7%
7000	6655.1 - International Market Access Grant	423,400	750,000	750,000	900,000	1,200,000	1,082,000	-9.8%
7000	6655.2 - Collaborative Market Access Grant	319,200	450,000	450,000	300,000	300,000	118,000	-60.7%
7000	6655.4 - International Market Access Grant - STEP	160,650	300,000	300,000	300,000	-	-	0.0%
8000	6795 - Strategic Initiatives Fund	-	250,000	-	-	-	-	0.0%
<b>Total Program Grants</b>		<b>\$ 20,003,074</b>	<b>\$ 22,364,000</b>	<b>\$ 25,264,000</b>	<b>\$ 27,305,000</b>	<b>\$ 27,305,000</b>	<b>\$ 25,372,000</b>	<b>-7.1%</b>
<b>Loans</b>								
2000	11xx - Technology Development Loans--State	2,905,500	3,000,000	3,000,000	3,000,000	3,000,000	5,000,000	66.7%
2000	11xx - Technology Development Loans--SSBCI	1,450,000	-	-	-	-	-	0.0%
2000	11xx - New Technology Development Loans - SSBCI	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-100.0%
3000	11xx - Business Development Loan Program	-	3,000,000	1,500,000	1,000,000	1,000,000	1,500,000	50.0%
3000	11xx - Business Opportunity Loan Fund- Collectible Loans	3,450,000	-	-	-	-	-	0.0%
<b>Total Loans Gross</b>		<b>7,805,500</b>	<b>8,000,000</b>	<b>6,500,000</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,500,000</b>	<b>8.3%</b>
<b>Less: expected loan repayments</b>		<b>(8,731,619)</b>	<b>(6,103,876)</b>	<b>(7,319,297)</b>	<b>(7,319,297)</b>	<b>(7,319,297)</b>	<b>(8,033,946)</b>	<b>9.8%</b>
<b>Less: loan loss reserve in expenditures</b>		<b>(5,369,436)</b>	<b>(2,500,000)</b>	<b>(5,200,000)</b>	<b>(5,200,000)</b>	<b>(5,200,000)</b>	<b>(1,000,000)</b>	<b>-80.8%</b>
<b>Net funding for loans</b>		<b>(6,295,555)</b>	<b>(603,876)</b>	<b>(6,019,297)</b>	<b>(6,519,297)</b>	<b>(6,519,297)</b>	<b>(2,533,946)</b>	<b>-61.1%</b>
<b>Total Direct Economic Development</b>		<b>\$ 27,808,574</b>	<b>\$ 30,364,000</b>	<b>\$ 31,764,000</b>	<b>\$ 33,305,000</b>	<b>\$ 33,305,000</b>	<b>\$ 31,872,000</b>	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Appropriation by Object - with Department Detail

	FY 17 Actual	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Programs</b>								
Entrepreneurship & Innovation - 2000	\$ 4,487,310	\$ 4,200,000	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 4,750,000	\$ (150,000)	-3%
Business and Community Development - 3000	9,003,226	12,600,000	15,100,000	16,600,000	16,510,000	14,900,000	1,700,000	10%
Sector Strategy Development - 4000	1,657,206	3,600,000	3,850,000	4,391,000	4,481,000	4,300,000	91,000	2%
International Business Development - 7000	830,023	1,714,000	1,714,000	1,714,000	1,714,000	1,422,000	292,000	17%
Office of Public Policy - 8000	-	250,000	-	-	-	-	-	0%
<b>Total Programs</b>	<b>15,977,765</b>	<b>22,364,000</b>	<b>25,264,000</b>	<b>27,305,000</b>	<b>27,305,000</b>	<b>25,372,000</b>	<b>1,933,000</b>	<b>7%</b>
<b>Partnerships</b>								
Entrepreneurship & Innovation - 2000	1,273,801	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	-	0%
Business and Community Development - 3000	791,928	1,622,500	1,622,500	1,622,500	1,622,500	1,902,500	(280,000)	-17%
Sector Strategy Development - 4000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,275,000	(25,000)	-2%
International Business Development - 7000	183,680	230,000	230,000	230,000	230,000	230,000	-	0%
<b>Total Partnerships</b>	<b>3,499,409</b>	<b>4,352,500</b>	<b>4,352,500</b>	<b>4,352,500</b>	<b>4,352,500</b>	<b>4,657,500</b>	<b>(305,000)</b>	<b>-7%</b>
<b>Loan Loss Reserve</b>								
Entrepreneurship & Innovation - 2000	2,526,349	500,000	800,000	800,000	800,000	500,000	300,000	38%
Business and Community Development - 3000	2,843,087	2,000,000	4,400,000	4,400,000	4,400,000	500,000	3,900,000	89%
<b>Total Loan Loss Reserve</b>	<b>5,369,436</b>	<b>2,500,000</b>	<b>5,200,000</b>	<b>5,200,000</b>	<b>5,200,000</b>	<b>1,000,000</b>	<b>4,200,000</b>	<b>81%</b>
<b>Marketing &amp; Brand Strategy - 5000</b>	<b>3,075,629</b>	<b>3,885,528</b>	<b>3,900,528</b>	<b>5,100,528</b>	<b>5,100,528</b>	<b>8,282,810</b>	<b>(3,182,282)</b>	<b>-62%</b>

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Appropriation by Object - with Department Detail

	FY 17 Actual	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Payroll and Benefits</b>								
Legal Services - 1100	887,479	1,025,803	982,416	974,466	974,466	986,566	(12,100)	-1%
Executive Office - 1200	1,313,629	969,923	945,406	945,406	945,406	998,663	(53,257)	-6%
Operations & Program Performance - 1300	-	373,212	436,648	436,648	436,648	418,764	17,884	4%
Entrepreneurship & Innovation - 2000	521,213	529,062	530,866	529,366	529,366	526,090	3,276	1%
Business and Community Development - 3000	2,038,101	2,185,448	2,177,803	2,177,803	2,177,803	2,249,381	(71,578)	-3%
Business & Investment Attraction - 3500	321,663	315,260	336,148	336,148	336,148	526,099	(189,951)	-57%
Sector Strategy Development - 4000	786,933	781,455	741,408	741,408	741,408	807,651	(66,243)	-9%
Marketing & Brand Strategy - 5000	731,283	814,926	826,997	826,997	826,997	853,477	(26,480)	-3%
Human Resources - 6100	519,563	675,395	573,000	603,410	603,410	697,704	(94,294)	-16%
Finance - 6200	417,182	439,009	394,536	394,536	394,536	467,813	(73,277)	-19%
Information Technology - 6300	682,614	802,102	712,871	712,871	712,871	747,671	(34,800)	-5%
Credit and Risk - 6600	857,546	1,049,418	956,373	956,373	956,373	1,178,669	(222,296)	-23%
International Business Development - 7000	772,980	801,052	790,496	790,496	780,496	860,483	(79,987)	-10%
Office of Public Policy - 8000	490,432	497,837	471,041	466,096	466,096	509,145	(43,049)	-9%
Total Payroll and Benefits	10,340,618	11,259,902	10,876,009	10,882,024	10,882,024	11,828,177	(946,153)	-8%
<b>Operations and General</b>								
Legal Services - 1100	115,180	110,865	270,865	278,925	278,925	125,000	153,925	55%
Executive Office - 1200	426,229	267,750	237,750	237,750	237,750	199,500	38,250	16%
Operations & Program Performance - 1300	-	34,550	34,550	34,550	34,550	38,050	(3,500)	-10%
Entrepreneurship & Innovation - 2000	29,114	36,700	36,700	40,750	40,750	142,800	(102,050)	-250%
Business and Community Development - 3000	595,620	547,700	607,700	600,700	600,700	599,700	1,000	0%
Business & Investment Attraction - 3500	409,961	573,043	558,043	558,043	558,043	311,445	246,598	44%
Sector Strategy Development - 4000	88,945	141,375	141,375	141,375	141,375	122,490	18,885	13%
Human Resources - 6100	616,859	744,286	744,286	819,479	819,479	826,930	(7,451)	-1%
Finance - 6200	212,125	135,268	155,268	148,200	148,200	237,100	(88,900)	-60%
Information Technology - 6300	1,308,301	1,501,774	1,501,774	1,501,774	1,501,774	1,497,808	3,966	0%
Credit and Risk - 6600	12,549	17,750	17,750	17,750	17,750	17,000	750	4%
International Business Development - 7000	522,359	927,031	927,031	927,031	927,031	1,047,640	(120,609)	-13%
Office of Public Policy - 8000	22,860	26,500	26,500	17,200	17,200	392,800	(375,600)	-2184%
Total Operation and General	4,359,902	5,064,592	5,259,592	5,323,527	5,323,527	5,558,263	(234,736)	-5%
<b>Pass-through federal grant expenditures</b>								
	400,936	640,590	640,590	1,680,000	1,680,000	1,585,000	95,000	6%
<b>Capital</b>								
Marketing & Brand Strategy - 5000	250,057	-	-	-	-	-	-	0%
Human Resources - 6100	2,913	84,000	84,000	17,000	17,000	40,000	(23,000)	-135%
Finance - 6200	38,791	40,000	40,000	47,050	47,050	40,000	7,050	15%
Total Capital	291,761	124,000	124,000	64,050	64,050	80,000	(15,950)	-25%
<b>Debt Service</b>								
Finance - 6200	202,674	850,000	850,000	850,000	850,000	210,000	640,000	75%
	202,674	850,000	850,000	850,000	850,000	210,000	640,000	75%
Total	\$ 43,518,130	\$ 51,041,112	\$ 56,467,219	\$ 60,757,629	\$ 60,757,629	\$ 58,573,750	\$ 2,183,879	4%





# EXECUTIVE OFFICE



# EXECUTIVE OFFICE

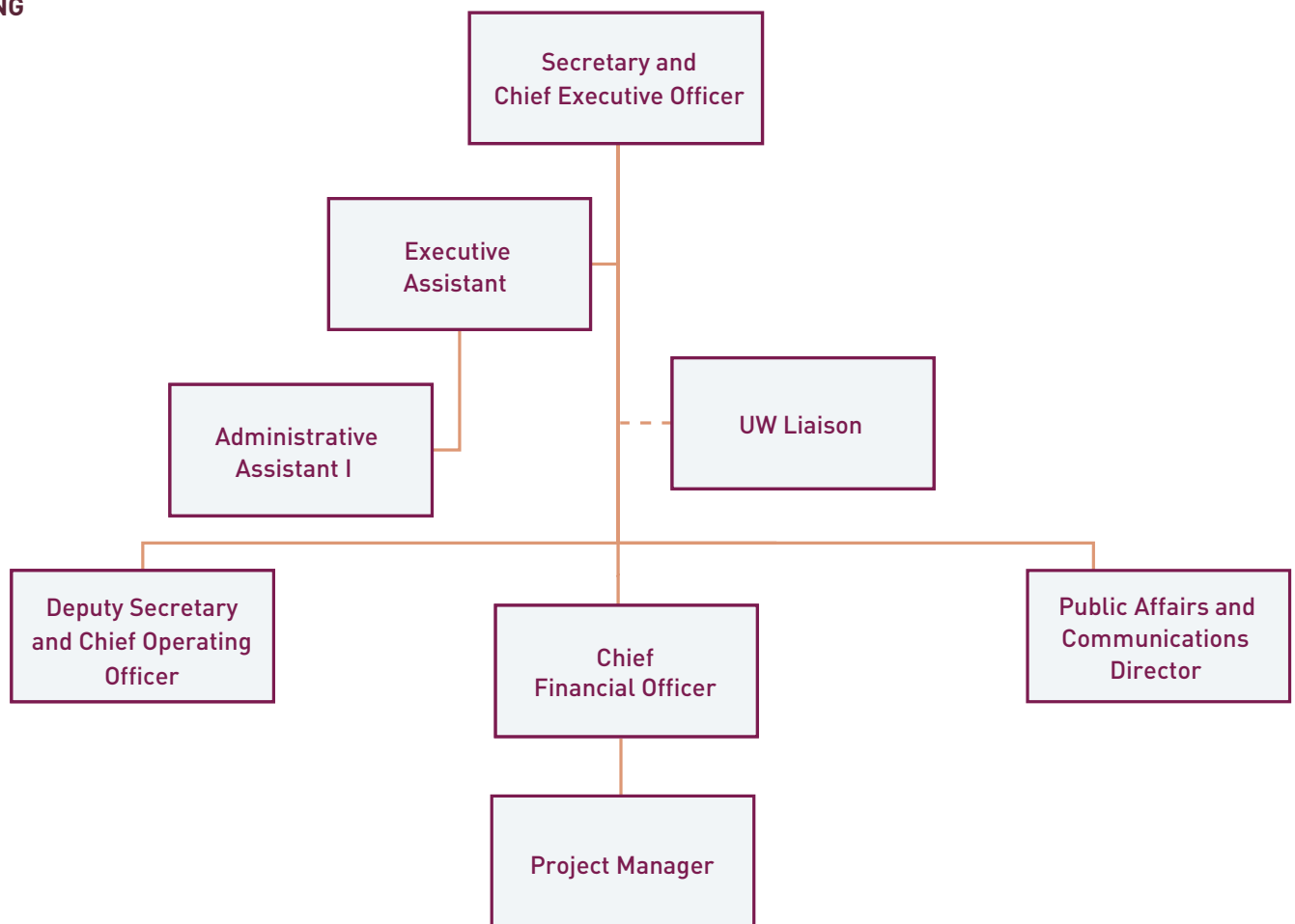
The Executive Office is charged with providing strategic direction, ensuring effective programming and compliance, managing stakeholder relations, and building a high-performing organization.

## GOALS

### The Executive Office has five goals:

- Work with and support the Board of Directors to set long-term and annual economic development strategies and goals, and to ensure oversight and compliance with statute and policy.
- Develop and manage the Strategic Plan, which communicates and supports the strategic goals and objectives for senior leadership and which ensures outcomes and benchmarks are met.
- Coordinate WEDC strategies and communication with State of Wisconsin leadership (Governor and Legislature).
- Manage external stakeholder relations.
- Recommend innovative economic development policy initiatives for the Governor and Legislature to consider.

## STAFFING



## BUDGET NOTES - EXECUTIVE OFFICE

- 6000 – 6055 - Payroll and benefits includes one new FTE position, Project Manager. The Talent Initiatives Director moved to Business and Investment Attraction Division

## UW SYSTEM ECONOMIC DEVELOPMENT LIAISON

### GOALS

**The Office of Economic Development liaison, a shared function of WEDC and the UW System, has three goals:**

- Foster increased UW System connection with current and prospective Wisconsin businesses.
- Accelerate entrepreneurship, tech transfer and commercialization of university research.
- Support and encourage “Triple Helix” collaborations of university, government and business initiatives to develop a stronger workforce, build communities and foster job creation.

### ADMINISTRATIVE OVERSIGHT

The UW System is one of Wisconsin’s largest economic development assets. The liaison role represents a vital partnership for identifying and coordinating linkages between the UW System and WEDC’s strategies of targeted business and industry development, entrepreneurial growth, international business development and job creation. We believe this jointly funded position is unique within university/government collaborations across the nation. A core function of this role is to work in close collaboration with WEDC leadership, with the UW System Board of Regents, and with internal and statewide networks in order to leverage UW System resources in support of WEDC’s economic and business development initiatives.

### STAFFING

**Associate Vice President of Economic Development** - Reports to the CEO. Responsible for leading the planning and implementation of initiatives and programs to leverage the University of Wisconsin System’s economic development assets in order to drive statewide business development and growth.

### KEY STRATEGIC INITIATIVES

- Expand outreach for UW Talent Development, Attraction and Retention initiatives in conjunction with new WEDC joint liaison partner.
- Support the UW System’s Business and Community Outreach strategic initiatives and expand collaborative efforts with statewide higher education partners.
- Leverage the UW System Office of Economic Development to increase the focus on economic and business development successes and collaborations.



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Executive Office - 1200

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4110 - State GPR Funds	\$ 12,474,700	\$ 1,519,500	\$ 1,519,500	\$ 2,719,500	\$ 8,319,500	\$ 16,392,500	97.0%
4120 - State SEG Funds	21,776,000	32,731,200	32,731,200	32,731,200	32,731,200	24,268,200	-25.9%
4170 - Revenue-Other Income	22,794	44,302	44,302	44,302	44,302	-	-100.0%
Total	34,273,494	34,295,002	34,295,002	35,495,002	41,095,002	40,660,700	-1.1%
<b>Expenditures</b>							
Payroll and Benefits							
6000 - Benefits- Health Insurance	157,351	96,367	106,056	106,056	106,056	98,356	-7.3%
6010 - Benefits- Life Insurance	726	799	799	799	799	966	20.9%
6015 - Benefits-Retirement	66,029	49,932	48,004	48,004	48,004	50,415	5.0%
6020 - Benefits- Payroll Taxes	65,780	56,173	54,006	54,006	54,006	58,200	7.8%
6021 - Benefits - STD/LTD	-	-	3,331	3,331	3,331	3,238	-2.8%
6023 - Benefits -HSA	2,798	1,558	1,500	1,500	1,500	-	-100.0%
6025 - Benefits Other	3,348	2,000	-	-	-	-	0.0%
6026 - Benefits - Commuting Stipend	-	-	3,878	3,878	3,878	3,878	0.0%
6040 - Merit/Incentives	5,200	6,630	7,059	7,059	7,059	7,608	7.8%
6050 - Compensation- Salary	987,176	741,631	705,940	705,940	705,940	760,786	7.8%
6055 - Professional Development	25,221	14,833	14,833	14,833	14,833	15,216	2.6%
Total Payroll and Benefits	1,313,629	969,923	945,406	945,406	945,406	998,663	5.6%
Operating and General							
6120 - Office Expense- Other	35,827	25,000	25,000	25,000	25,000	25,000	0.0%
6200 - Professional Fees- Consulting Fees	283,287	185,000	155,000	155,000	155,000	115,000	-25.8%
6245 - Dues, Subscriptions, and Memberships	6,835	4,500	4,500	4,500	4,500	6,000	33.3%
6360 - Supplies & Equipment- Office Supplies	14,668	11,250	11,250	11,250	11,250	11,500	2.2%
6375 - Events and Conferences	10,190	10,000	10,000	10,000	10,000	9,000	-10.0%
6377 - Business Meals	2,651	2,500	2,500	2,500	2,500	4,000	60.0%
6380 - Travel- Lodging	6,317	6,000	6,000	6,000	6,000	2,500	-58.3%
6390 - Travel - Meals	3,659	5,500	5,500	5,500	5,500	1,500	-72.7%
6410 - Travel - Other	-	1,000	1,000	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	62,795	17,000	17,000	17,000	17,000	24,000	41.2%
Total Operating and General	426,229	267,750	237,750	237,750	237,750	199,500	-16.1%
Total Expenditures	\$ 1,739,858	\$ 1,237,673	\$ 1,183,156	\$ 1,183,156	\$ 1,183,156	\$ 1,198,163	1.3%
Total Appropriation	\$ 1,739,858	\$ 1,237,673	\$ 1,183,156	\$ 1,183,156	\$ 1,183,156	\$ 1,198,163	1.3%

# **BUSINESS AND COMMUNITY DEVELOPMENT**



# BUSINESS AND COMMUNITY DEVELOPMENT

## GOALS

The Business and Community Development (BCD) Division has four goals:

- Provide financial and technical assistance to Wisconsin businesses and communities to help them take advantage of opportunities that improve their economic future and chances of long-term success.
- Effectively leverage WEDC funds with private dollars to maximize business and community investments.
- Expand the capacity of stakeholders and economic development partners.
- Increase the number of Wisconsin economic developers with professional education and certifications through a partnership with WEDA.

## KEY PERFORMANCE INDICATORS

In FY19, the BCD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 129 businesses	Unique number of businesses determined by reports generated through awards administration system
Provide programmatic technical assistance to 1,455 businesses	Unique number of businesses reported through WEDC's CRM and Key Strategic Partnerships
Provide financial assistance to 76 communities	Unique number of communities determined by reports generated through awards administration system
Provide programmatic technical assistance to 133 communities	Unique number of communities reported through WEDC's CRM
Impact 13,060 jobs <ul style="list-style-type: none"><li>• Assist in creating 5,410 jobs</li><li>• Assist in retaining 7,650 jobs</li></ul>	Reports generated through awards administration system
Achieve a 17:1 leverage ratio	Reports generated through awards administration system
Assist 31 partner organizations	Awards made through programs and through Key Strategic Partnerships and others
Increase the access to training and certification of local economic development partners through our contact with the Wisconsin Economic Development Association (WEDA)	Through reporting by WEDA on new Certified Economic Developers (CEcD) and Economic Development Finance Professionals (EDFP) and local partners participating in training
Provide WEDC presentations to 25 professional service providers and proactive outreach to 100 Wisconsin companies	Professional Service Provider Outreach campaigns in CRM; Wisconsin Business Outreach Initiative campaigns in CRM

## OPERATING PLAN

In FY19, BCD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

### BUSINESS DEVELOPMENT PROGRAMS

BUSINESS DEVELOPMENT TAX CREDITS	
Description	Support job creation, capital investment, training, and corporate headquarters location or retention by providing businesses located in or relocating to Wisconsin with refundable tax credits that can help reduce their Wisconsin income/franchise tax liability or provide a refund, thereby helping to enhance their cash flow to expand payroll, the project's scope, or accelerate the timing of the project.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$22,000,000 (Calendar Year)
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 50 businesses</li><li>• Support the creation of 4,000 jobs and retention of 6,000 jobs</li><li>• Achieve a 20:1 leverage of other investment</li></ul>

BUSINESS DEVELOPMENT LOAN PROGRAM	
Description	Provide financing primarily to small businesses that have limited access to standard types of debt or equity financing, particularly, but not limited to, rural areas of the state. The program is intended to provide gap financing to existing businesses seeking to expand, increase operational efficiency, or enhance competitiveness in key Wisconsin industries.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 4 businesses</li><li>• Achieve a 3:1 leverage of other investment</li></ul>

CAPACITY BUILDING GRANTS	
Description	Assist local and regional economic development groups, furthering the efforts of WEDC to create an advanced economic development network within the state of Wisconsin. The primary use of the funds is for assessment of the economic competitiveness of the area; development of a Comprehensive Economic Development Strategy; and support of strategies that will benefit the recipient organizations and their members through operational efficiencies, strategy development, education/skill development or increased collaboration with other organizations.
Strategic Pillar	Community and Economic Opportunity
Budget	\$250,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Support 8 organizations</li></ul>

### DEVELOPMENT OPPORTUNITY ZONE

Description	Support job creation, job retention, capital investment, and environmental remediation to businesses in the Cities of Beloit, Janesville and Kenosha by providing non-refundable tax credits that help to reduce a company's Wisconsin state income tax liability, thereby helping to enhance its cash flow to either increase the expansion project's scope and/or accelerate the timing of the project and/or enhance payroll.
Strategic Pillar	Business Development – Business Expansion and Retention
Budget (Non-Staff expenses)	\$2,972,650 Janesville; \$9,519,000 Beloit; \$9,250,000 Kenosha
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 2 businesses</li> <li>• Support the creation of 10 jobs</li> <li>• Support the retention of 200 jobs</li> <li>• Achieve a 20:1 leverage ratio</li> </ul>

### ENTERPRISE ZONE TAX CREDITS

Description	Support projects involving major expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin by providing refundable tax credits for job creation, job retention, capital investment, employee training and Wisconsin supply chain investment. Up to 30 zones authorized, 3 of which must be designated in areas with populations totaling less than 5,000 and 2 of the zones must be designated in areas with populations totaling at least 5,000 but less than 30,000.
Strategic Pillar	Business Development - Business and Investment Attraction
Budget (Non-Staff expenses)	4 zones remaining (1 reserved for communities < 5,000 in population)
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 2 businesses</li> <li>• Support the creation of 1,000 jobs</li> <li>• Support the retention of 800 jobs</li> <li>• Achieve a 5:1 leverage ratio</li> </ul>

### INDUSTRIAL REVENUE BONDING

Description	Allocate the bonding authority or the volume cap under 238.10 Wisconsin Statutes for tax-exempt bonds that can be used to stimulate capital investment and job creation by providing private borrowers with access to financing at interest rates that are lower than conventional bank loans. The IRB process involves five separate entities – the borrower, lender, bond attorney, issuer, and WEDC.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$299,262,858 (Calendar year allocation)
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 7 businesses</li> </ul>



MINORITY BUSINESS DEVELOPMENT	
Description	Support minority, women, and veteran-owned business development through direct assistance to nonprofit organizations in Wisconsin. The funding is intended to promote investment and job retention and creation in minority communities and underserved markets by increasing access to capital and business development training opportunities.
Strategic Pillar	Community and Economic Opportunity – Minority Business Development
Budget (Non-Staff Expenses)	\$150,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Support 3 organizations</li> <li>• Assist 85 businesses (20 financially)</li> </ul>

WORKFORCE TRAINING GRANTS	
Description	Provide grants to businesses for workforce retention and expansion into new markets and technology. Funding would allow for upgrades or improvements to job-related skills of business' full-time employees after other state training options have been explored.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 4 businesses</li> <li>• Support training of 200 employees</li> </ul>

DISASTER RECOVERY LOAN PROGRAM	
Description	Provide grants to pre-approved regional entities with the capacity to deploy rapid response microloans to businesses affected by disasters, either natural or manmade. The microloans are to assist the business with necessary restoration and operating expenses until more long-term recovery funding can be secured.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	N/A
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• # of businesses assisted</li> </ul>

## COMMUNITY DEVELOPMENT PROGRAMS

BROWNFIELDS GRANTS	
Description	Provide grants under 238.13, Wis. Stats. to local governments, businesses, non-profits and individuals for redeveloping commercial and industrial sites that have been adversely impacted by environmental contamination.
Strategic Pillar	Community and Economic Opportunity – Community Development
Budget (Non-Staff Expenses)	\$5,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 14 communities</li> <li>• Achieve a 33:1 leverage ratio</li> </ul>

**COMMUNITY DEVELOPMENT INVESTMENT GRANTS**

Description	Provide grants to support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community driven efforts.
Strategic Pillar	Community and Economic Opportunity - Community Development
Budget (Non-Staff Expenses)	\$5,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 20 communities</li> <li>• Achieve a 33:1 leverage ratio</li> </ul>

**HISTORIC PRESERVATION TAX CREDITS**

Description	Provide transferable tax credits (20% of qualified rehabilitation expenses up to \$3.5 million per parcel) to eligible entities rehabilitating certified historic buildings. Historic rehabilitation incentivized through this program must be recommended by the State Historic Preservation Office (SHPO) as certified historic properties.
Strategic Pillar	Community and Economic Opportunity - Community Development
Budget (Non-Staff Expenses)	Certifications are awarded on a rolling basis
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 25 communities</li> <li>• Achieve a 5:1 leverage ratio</li> </ul>

**IDLE SITES REDEVELOPMENT GRANTS**

Description	Provide grants to Wisconsin communities to redevelop large sites that have been idle, abandoned, or underutilized for a period of at least five years. Approved projects can use funds for demolition, environmental remediation, infrastructure or site-specific improvements to advance the site to shovel-ready status or enhance the site's market attractiveness.
Strategic Pillar	Community and Economic Opportunity - Community Development
Budget (Non-Staff Expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 4 communities</li> <li>• Achieve a 20:1 leverage ratio</li> </ul>

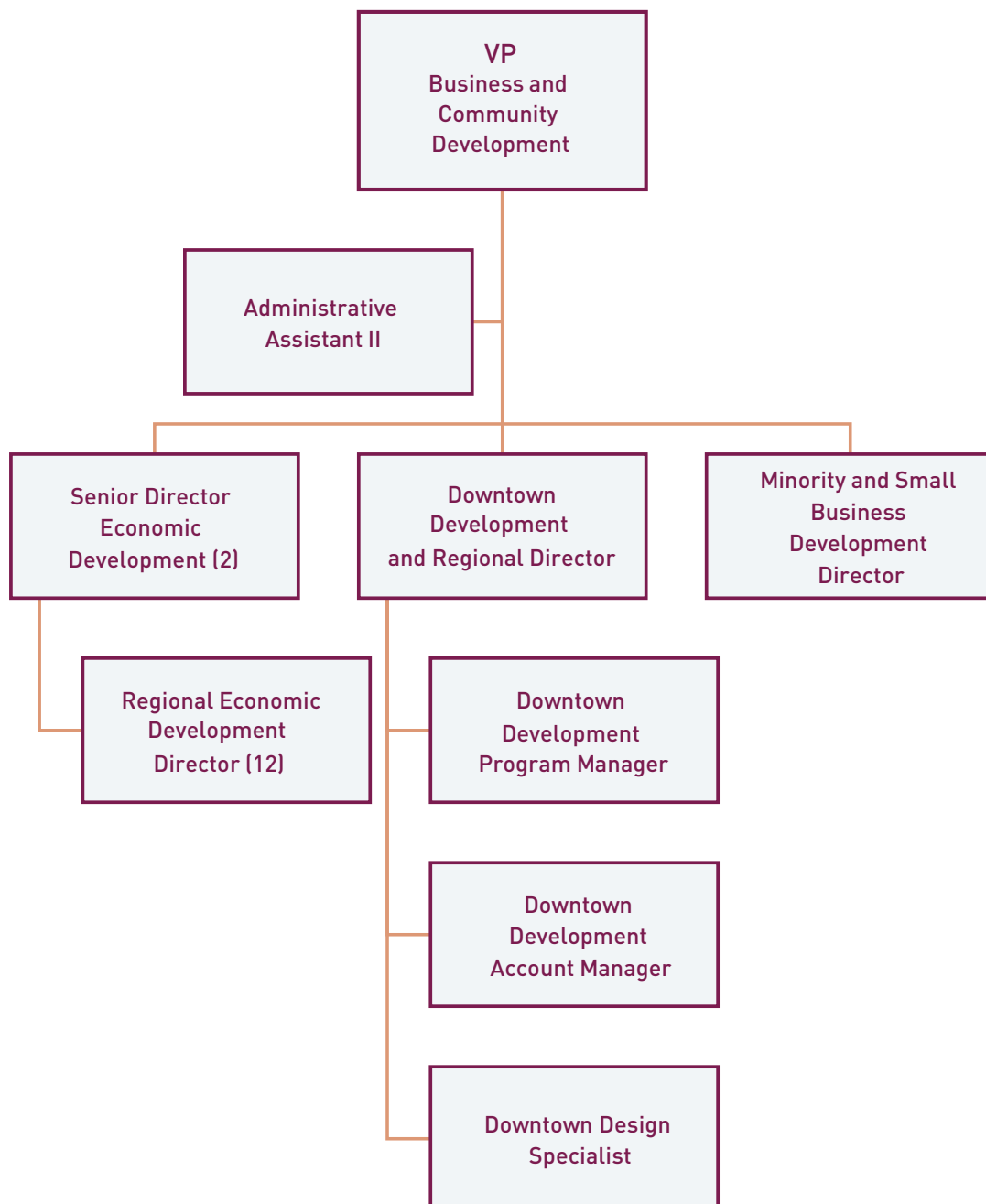
**MAIN STREET AND CONNECT COMMUNITIES**

Description	Provide technical assistance to communities in the planning, management, and implementation of strategic development projects in downtowns and urban neighborhoods. This includes Main Street support and Connect Communities, which is aimed at supplementing the Main Street program by expanding services to more downtowns across the state.
Strategic Pillar	Community and Economic Opportunity - Downtown Development
Budget (Non-Staff expenses)	\$300,000 (non-aids)
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Add 1 Main Street community to current 34</li> <li>• Add 5 Connect Communities to current 73</li> <li>• Assist 90 businesses</li> </ul>

## BROWNFIELD SITE ASSESSMENT GRANTS

Description	Provide grants under 238.133 Wis. Stats. for up to \$150,000 to local governments seeking to redevelop sites with economic or community development potential that are or may be adversely impacted by environmental contamination. Grant funds are to be utilized to define the degree and extent of groundwater and soil contamination, along with identifying and assessing vapor intrusion issues.
Strategic Pillar	Community and Economic Opportunity – Community Development
Budget (Non-Staff expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 13 communities</li> <li>Achieve a 2:1 leverage ratio</li> </ul>

## STAFFING





**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division and assures execution of the divisional operating plan.

**Administrative Assistant** – Provides administrative support to senior-level staff and supports daily operational needs of the BCD division.

**Senior Economic Development Director** – Manages and develops programs, makes policy recommendations and the development of staff, and is the immediate supervisor for the regional economic development directors. It is the first point of contact between the regional directors and underwriting / legal / fiscal with business investment strategies.

**Regional Economic Development Director** – Provides project management and delivers projects within the established budget and timeline as it relates to business and community development assistance within the BCD division. Primary contact for intake of applications, technical and financial assistance for BCD programs, and initial intake for other WEDC opportunities.

**Minority and Small Business Development Director** – Oversees WEDC involvement in all aspects of the minority and underserved business community and relationships with the State's four minority-based chambers of commerce and related entities provides direct oversight of WEDC's investment in its key strategic partnership with the Wisconsin Procurement Institute and the state minority chambers of commerce; assist with Kiva micro-lending for Minority Chambers and businesses in rural downtowns in Wisconsin.

**Downtown Development and Regional Director** – Coordinates support staff and resources as necessary to meet program goals; makes policy recommendations; serves as the immediate supervisor for the downtown development team. Point of contact between the downtown development staff and underwriting / legal / fiscal with business and community investment strategies.

**Downtown Development Program Manager** – Responsible for program design, execution, and performance for the Downtown Development program. This position is the lead member of the Downtown Development project team.

**Downtown Development Account Manager** – Assists communities in revitalizing downtown and commercial business districts; evaluates and promotes programs related to downtown development; serves as a clearinghouse for business, organization and municipality business development related information and resources in downtowns.

**Downtown Designer** – Assists communities in revitalizing downtown and commercial business districts; provides on-site design assistance and schematic renderings for businesses to help make physical improvements and navigate local permit process; develops and implements communication programs to provide delivery.

## KEY STRATEGIC PARTNERSHIPS

In FY19, BCD will work with the following organizations to deliver WEDC's mission:

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS	
Description	There are currently nine regional economic development entities (M7, MadREP, Prosperity Southwest, 7 Rivers Region, Momentum West, Visions Northwest, Grow North, Centergy, and New North). While each is organized differently, all demonstrate regional collaboration with county and municipal EDOs, regional planning commissions, workforce development organizations, educators and private sector stakeholders.
Strategic Pillar	<ul style="list-style-type: none"> <li>• Business Development – Business Retention and Expansion</li> <li>• Business Development – Business and Investment Attraction</li> <li>• Business Development – Export and International Trade</li> <li>• Business Development – Entrepreneurship and Innovation</li> </ul>
Budget (Non-Staff Expenses)	\$827,500 (\$775,000 Strategic Partner support - \$52,500 Inspire license)
Activities and Expected Outcomes	<p><b>Annual contracts with the regions relate to six primary focus areas:</b></p> <ul style="list-style-type: none"> <li>• Convener, facilitator and partner for local economic development entities in the respective regions</li> <li>• Marketing agents for the regions</li> <li>• Business retention and expansion (BRE) coordinated efforts</li> <li>• Generate business and community data information</li> <li>• Resource referral or primary contact for business</li> <li>• Talent and Workforce development assistance (Inspire License) - \$52,500 of this total</li> <li>• Industry Sector identification and support</li> <li>• Entrepreneurship and innovation support</li> <li>• Export and FDI identification and support</li> </ul>

WISCONSIN PROCUREMENT INSTITUTE	
Description	Wisconsin Procurement Institute (WPI) is a non-profit organization whose mission is to assist Wisconsin businesses in creating, developing and growing their Federal, State, and Local Government sales, revenues, profits and jobs by providing access to federal and state contracting opportunities.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$325,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 1,200 businesses</li> <li>• Assist in the creation of 200 jobs</li> <li>• Assist the retention of 300 jobs</li> <li>• Assist Wisconsin companies to secure \$100 million in new federal and state procurement contracts</li> <li>• Provide 10 conferences, technical trainings or outreach events in Wisconsin</li> </ul>

MINORITY CHAMBERS OF COMMERCE	
Description	<p>Support minority business development through business creation, expansion and attraction and training. This is accomplished through direct grant assistance to qualifying minority business entities in Wisconsin for revolving loan fund technical assistance, KIVA micro-lending, and organizational support. The organizations are:</p> <p><b>African American Chamber of Commerce (AACC)</b> Affiliates: Wisconsin Black Chamber of Commerce, Madison Black Chamber of Commerce</p> <p><b>American Indian Chamber of Commerce/First American Capital Corp. (FACC)</b> Affiliate: Wisconsin Indian Business Alliance (WIBA)</p> <p><b>Hmong Chamber of Commerce (HWCC)</b> Affiliates: Latino Entrepreneurial Network (LEN), Hmong Business Coalition</p> <p><b>Hispanic Chamber of Commerce (HCCW)</b> Affiliate: Latino Chamber of Commerce – Dane County</p>
Strategic Pillar	Community and Economic Opportunity – Minority Business Development
Budget (Non-Staff Expenses)	\$750,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Support 20 businesses through RLF loans</li> <li>• Support 20 businesses through KIVA micro-loans</li> <li>• Support 100 businesses through substantive technical assistance</li> <li>• Create 200 jobs</li> <li>• Retain 350 jobs</li> </ul>

## KEY STRATEGIC INITIATIVES

- Increase minority and underserved business expansion through microlending throughout the state via Main Street and Connect Communities.
- Focus WEDC programs to better serve the rural areas of the state.
- Partner with RPCs and other regional entities to ensure preparedness to deploy the Disaster Recovery Microloan program.
- Determine outcome and utilization of statewide talent assessment and workforce developed platform collaboratively with DWD and regional partners.

## BUDGET NOTES

- 5160 – Regional EDO KSP includes additional funds from the Capacity Building grant program to accommodate current business needs
- 6600 – Capacity Building Grants – program will transfer funding to Regional EDO Key Strategic Partnerships
- 6620 – Workforce Training Grants includes additional funding to assist companies improve the skills of their workforce
- 6671 – Minority Business Development program includes support to three organizations that assist underserved communities
- 6680 – Community Development Investment Grants – funding is reduced to adjust to the expected demand for the program in FY19
- 6710 – Brownfield Site Assessment Grants – includes additional funding to address anticipated demand in FY19
- 6725 – Idle Sites Redevelopment Program reduced to adjust to the expected demand for the program in FY19
- 6225 – Pass-through federal grant expenditures moved from the Sector Strategy Development Division

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Business and Community Development - 3000

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4014 - Federal - DOD Grant	\$ 672	\$ -	\$ -	\$ 1,134,740	\$ 1,134,740	\$ 1,585,000	39.7%
4015 - Federal - USDA Grant	-	-	-	54,600	54,600	-	-100.0%
4130 - State Brownfield Site Asses. Grant	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
4145 - State Loan Repayments	1,077,439	780,000	780,000	780,000	780,000	750,000	-3.8%
4146 - Contra-Revenue	(342,935)	-	-	-	-	-	0.0%
4147 - Interest - Forgiveable Loans	382,567	-	-	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(84,012)	-	-	-	-	-	0.0%
4170 - Revenue-Other Income	27,694	24,000	24,000	24,000	24,000	24,000	0.0%
4182 - Award Penalty Fees	(1)	-	-	-	-	-	0.0%
4185 - Sponsorship Contributions	65,075	62,000	62,000	69,400	69,400	70,000	0.9%
Total	2,126,499	1,866,000	1,866,000	3,062,740	3,062,740	3,429,000	12.0%
<b>Expenditures</b>							
Program Grants							
6600 - Capacity Building Grants -BCD	419,682	500,000	500,000	500,000	500,000	250,000	-50.0%
6620 - Workforce Training Grants	(63,723)	2,000,000	2,000,000	785,000	785,000	1,500,000	91.1%
6670 - Minority Revolving Loan Fund Expansion	850,000	-	-	-	-	-	0.0%
6671 - Minority Business Development Grant	-	-	-	-	-	150,000	100.0%
6676 - Regional Revolving Loan Fund Expansion	12,805	-	-	-	-	-	0.0%
6680 - Community Development Investment Grants	2,280,326	3,000,000	5,500,000	6,500,000	5,850,000	5,000,000	-14.5%
6710 - Brownfield Site Assessment Grants	727,889	1,000,000	1,000,000	1,000,000	1,150,000	1,500,000	30.4%
6720 - Brownfield Program Grants	3,561,002	4,000,000	4,000,000	5,715,000	5,625,000	5,000,000	-11.1%
6725 - Idle Sites Redevelopment Program	1,215,245	2,000,000	2,000,000	2,000,000	2,500,000	1,500,000	-40.0%
6753 - EDC - JFC	-	100,000	100,000	100,000	100,000	-	-100.0%
Total Program Grants	9,003,226	12,600,000	15,100,000	16,600,000	16,510,000	14,900,000	-9.8%
Key Strategic Partnerships							
5155 - Minority Business Development	-	750,000	750,000	750,000	750,000	750,000	0.0%
5160 - Regionals	486,928	547,500	547,500	547,500	547,500	827,500	51.1%
5185 - Wisconsin Procurement Institute	305,000	325,000	325,000	325,000	325,000	325,000	0.0%
Total Key Strategic Partnerships	791,928	1,622,500	1,622,500	1,622,500	1,622,500	1,902,500	17.3%
Payroll and Benefits							
6000 - Benefits- Health Insurance	304,654	306,654	323,260	323,260	323,260	327,274	1.2%
6010 - Benefits- Life Insurance	1,577	1,900	2,105	2,105	2,105	2,407	14.3%
6015 - Benefits-Retirement	99,294	107,121	105,766	105,766	105,766	109,774	3.8%
6020 - Benefits- Payroll Taxes	109,791	120,511	118,984	118,984	118,984	124,099	4.3%
6021 - Benefits - STD/LTD	-	-	7,969	7,969	7,969	7,969	0.0%
6023 - Benefits -HSA	3,865	4,673	5,885	5,885	5,885	-	-100.0%
6025 - Benefits Other	1,312	2,000	2,000	2,000	2,000	2,000	0.0%
6026 - Benefits - Commuting Stipend	-	-	4,432	4,432	4,432	4,986	12.5%
6040 - Merit/Incentives	15,725	15,033	15,552	15,552	15,552	16,224	4.3%
6050 - Compensation- Salary	1,477,192	1,591,056	1,555,350	1,555,350	1,555,350	1,622,204	4.3%
6055 - Professional Development	24,691	36,500	36,500	36,500	36,500	32,444	-11.1%
Total Payroll and Benefits	2,038,101	2,185,448	2,177,803	2,177,803	2,177,803	2,249,381	3.3%
Operating and General							
5400 - Extended Enterprise	11,600	25,000	25,000	15,000	15,000	24,000	60.0%
6120 - Office Expense- Other	16,799	21,000	21,000	21,000	21,000	21,000	0.0%
6150 - Office Expense- Rent	22,643	25,000	25,000	25,000	25,000	25,000	0.0%
6200 - Professional Fees- Consulting Fees	165,370	200,000	200,000	200,000	200,000	200,000	0.0%
6225 - Pass-through federal grant expenditures	-	-	-	1,134,740	1,134,740	1,585,000	39.7%
6236 - Print Material Production	562	1,000	1,000	1,000	1,000	1,000	0.0%
6245 - Dues, Subscriptions, and Memberships	9,632	9,000	9,000	9,000	9,000	9,000	0.0%
6310 - Repairs & Maintenance- Automobiles	2,497	3,000	3,000	6,000	6,000	3,000	-50.0%
6360 - Supplies & Equipment- Office Supplies	1,216	1,000	1,000	1,000	1,000	-	-100.0%
6375 - Events and Conferences	174,747	140,000	200,000	200,000	200,000	200,000	0.0%
6377 - Business Meals	1,924	1,700	1,700	1,700	1,700	1,700	0.0%
6380 - Travel- Lodging	30,494	30,000	30,000	30,000	30,000	30,000	0.0%
6390 - Travel - Meals	20,374	25,000	25,000	25,000	25,000	20,000	-20.0%
6410 - Travel - Other	-	1,000	1,000	1,000	1,000	-	-100.0%
6430 - Travel - Transportation	69,002	65,000	65,000	65,000	65,000	65,000	0.0%
6530 - Other Expense	68,760	-	-	-	-	-	-
Total Operating and General	595,620	547,700	607,700	1,735,440	1,735,440	2,184,700	25.9%
Bad Debt							
6798 - Bad Debt - Performance Based Loans	1,089,006	1,500,000	1,500,000	1,500,000	1,500,000	-	-100.0%
6799 - Bad Debt Expense - (A/R)	1,754,081	500,000	2,900,000	2,900,000	2,900,000	500,000	-82.8%
Total Bad Debt	2,843,087	2,000,000	4,400,000	4,400,000	4,400,000	500,000	-88.6%

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Business and Community Development - 3000

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
Total Expenditures	\$ 15,271,962	\$ 18,955,648	\$ 23,908,003	\$ 26,535,743	\$ 26,445,743	\$ 21,736,581	-17.8%
Loans are not considered to be expenditures, but do constitute a use of funds.							
Loans Proposed							
11xx - Business Development Loan Program	-	3,000,000	1,500,000	1,000,000	1,000,000	1,500,000	50.0%
11xx - Business Opportunity Loan Fund- Collectible Loans	3,450,000	-	-	-	-	-	0.0%
Total Loans	\$ 3,450,000	\$ 3,000,000	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	50.0%
Less: Loan principal repayments	(4,959,154)	(3,912,215)	(5,281,685)	(5,281,685)	(5,281,685)	(5,633,243)	6.7%
Less: Loan Loss Reserve (included above)	(2,843,087)	(2,000,000)	(4,400,000)	(4,400,000)	(4,400,000)	(500,000)	-88.6%
	(4,959,154)						
Net additional funding for loans	(9,311,395)	(2,912,215)	(8,181,685)	(8,681,685)	(8,681,685)	(4,633,243)	-46.6%
<b>Total Appropriation</b>	<b>\$ 5,960,567</b>	<b>\$ 16,043,433</b>	<b>\$ 15,726,318</b>	<b>\$ 17,854,058</b>	<b>\$ 17,764,058</b>	<b>\$ 17,103,338</b>	<b>-2.0%</b>





# **BUSINESS AND INVESTMENT ATTRACTION**





# BUSINESS AND INVESTMENT ATTRACTION

## GOALS

### The Business and Investment Attraction (B & IA) Division has four goals:

- Increase awareness of Wisconsin as a destination for businesses to expand or relocate by promoting the state in domestic and international markets through a strategic approach that leverages Wisconsin's driver industries and competitive advantages.
- Increase the number of deals in which Wisconsin is able to compete by continuing to build relationships with commercial real estate and site selection decision-makers and high-level executives within key industry clusters.
- Provide business and investment attraction support to our statewide network of economic development partners by providing cooperative responses to prospects, as well as collaborate on events, outreach and/or sponsorship opportunities.
- Support Wisconsin's talent attraction, retention and development efforts by leading and/or coordinating efforts among economic development, business, young professional and education partners and stakeholders to help ensure a quality workforce to support business growth throughout the state.

## KEY PERFORMANCE INDICATORS

In FY19, the B & IA division intends to accomplish the following:

KPI*	TRACKING
Facilitate 25 Requests for Information (RFI)	Determined by reports generated through WEDC's CRM
Assist in 12 successful attraction projects	Determined by reports generated through awards administration system
Host 4 call trips to targeted metropolitan areas or countries (domestic or abroad)	Determined by activities organized by the B & IA division
Host 4 events for commercial real estate (CRE) or targeted industry executives (domestic or abroad)	Determined by activities organized by the B & IA division with support of the Marketing and Brand Strategy Division
Assist in 2 partner-led attraction events	Determined by activities organized by EDOs
Assist in 3 new Certified InWisconsin sites	Determined by number of sites successfully completing the certification process

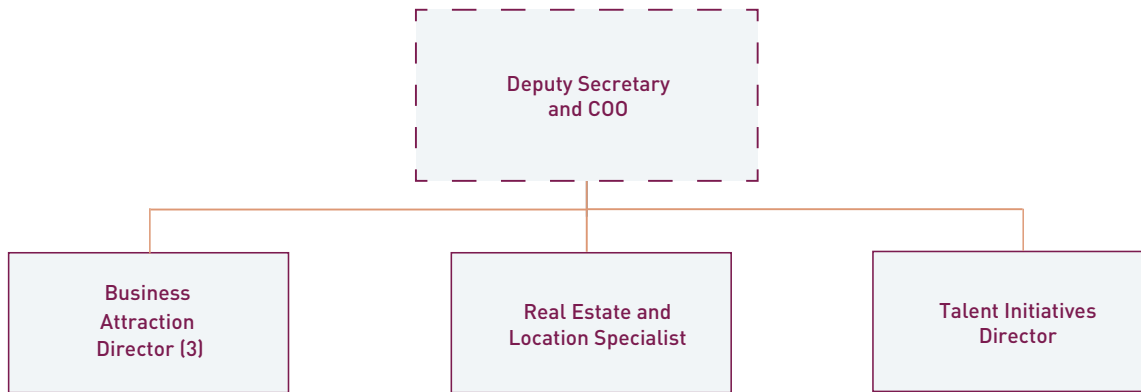
*\*Financial and technical assistance goals are reflected in BCD Key Performance Indicators, as projects typically get reassigned to regional economic development directors once a location/site has been determined.*

## OPERATING PLAN

In FY19, B & IA will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

CERTIFIED IN WISCONSIN SITES PROGRAM	
Description	In partnership with a contracted site selector consultant and community partners, apply consistent standards for industrial site certification in Wisconsin. Certification means that the key approvals, documentations and assessments most commonly required for industrial uses will already be in place.
Strategic Pillar	Business Development – Business and Investment Attraction
Budget (Non-Staff Expenses)	\$126,000 (non-aids)
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist in 3 new Certified In Wisconsin sites</li><li>• Promote existing 18 sites</li></ul>

## STAFFING



**Business and Investment Attraction Director** – Reports to the COO. Responsible for the design and implementation of a strategic and methodical approach to business and investment attraction efforts across WEDC, statewide economic development partners and the State of Wisconsin. One position focuses on commercial real estate, one on key business engagement within targeted industries, and the other on supply chain and workforce connections for major companies that have located new operations in Wisconsin (funded by 2017 Act 58).

**Real Estate and Location Specialist** – Assists the BIA team with management of real estate-related resources, such as the Certified InWisconsin and Locate InWisconsin programs. This position also manages statewide or multi-region Requests for Information/Proposals (RFIs/RFPs) for site-selection opportunities, working with the B&IA, BCD and/or IBD teams.

**Talent Initiatives Director** – Reports to COO and the UW System VP of Economic Development. Serves as a liaison and connector for talented-related initiatives across Wisconsin. Works closely with career services offices, alumni networks at post-secondary institutions to expand outreach efforts between students and their communities; supports the Marketing and Brand Strategy Division to promote the adoption and utilization of the Think-Make-Happen In Wisconsin messaging efforts with targeted talent audiences; and identifies and shares talent engagement best practices for businesses, communities, education and organizations seeking to attract and retain the next generation workforce.

## KEY STRATEGIC INITIATIVES

- Continue to build alignment throughout Wisconsin for business and investment attraction opportunities so that Wisconsin can fully leverage its talented and capable network of partners as a competitive advantage.
- Partner with Marketing and Brand Strategy to identify and promote Wisconsin's talent as an asset for business growth and attraction opportunities; this includes attracting those with highly sought-after skills and experience to relocate to or stay in Wisconsin.
- As the trend of corporate mergers & acquisitions continues to impact Wisconsin companies, work closely with affected key business executives to position Wisconsin as a location of potential investment/expansion.
- Educate, promote and connect existing Wisconsin businesses so that they are positioned to benefit from new business investments in the state through supply chain, vendor, workforce development, research and/or technology opportunities.

## BUDGET NOTES

- 6000 – 6055 - Payroll and benefits includes the Talent Initiatives Director position that was moved from the Executive Office division. Business Intelligence Manager position was not filled during FY18
- 5400 – Extended Enterprise includes Certified Sites program and talent attraction and retention initiatives
- 6057 – Research & Marketing Tools – decrease due to the transfer of company wide research tools to the Office of Public Policy Division

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**Detailed Budget Worksheet**

**Business & Investment Attraction -3500**

Account No. and Name		FY18	FY18	FY18	FY18	FY19	New Funds
	FY17	Budget	Budget Amend	Budget Amend	Budget Amend	Budget	% Chg
	Actual	Original	February	April	June	New Funds	FY19
Revenues							
4170 - Revenue-Other Income	\$ 13,500	\$ -	\$ 110,000	\$ 150,500	\$ 150,500	\$ 90,500	-39.9%
Total	13,500	-	110,000	150,500	150,500	90,500	-39.9%
Expenditures							
Payroll and Benefits							
6000 - Benefits- Health Insurance	18,557	22,920	22,779	22,779	22,779	31,638	38.9%
6010 - Benefits- Life Insurance	19	24	24	24	24	50	108.3%
6015 - Benefits-Retirement	16,583	16,453	17,700	17,700	17,700	28,269	59.7%
6020 - Benefits- Payroll Taxes	18,782	18,510	19,914	19,914	19,914	31,958	60.5%
6021 - Benefits - STD/LTD	-	-	1,219	1,219	1,219	1,677	37.6%
6023 - Benefits -HSA	1,500	1,558	1,500	1,500	1,500	-	-100.0%
6026 - Benefits - Commuting Stipend	-	-	1,108	1,108	1,108	2,216	100.0%
6040 - Merit/Incentives	4,000	2,420	2,603	2,603	2,603	4,177	60.5%
6050 - Compensation- Salary	251,280	244,375	260,301	260,301	260,301	417,759	60.5%
6055 - Professional Development	10,942	9,000	9,000	9,000	9,000	8,355	-7.2%
Total Payroll and Benefits	321,663	315,260	336,148	336,148	336,148	526,099	56.5%
Operating and General							
5400 - Extended Enterprise	-	-	-	-	-	176,000	100.0%
6057 - Research & Marketing Tools	288,966	366,798	366,798	366,798	366,798	-	-100.0%
6120 - Office Expense- Other	2,151	2,000	2,000	2,000	2,000	4,000	100.0%
6200 - Professional Fees- Consulting Fees	34,200	75,500	75,500	75,500	75,500	10,000	-86.8%
6245 - Dues, Subscriptions, and Memberships	8,374	10,125	10,125	10,125	10,125	12,625	24.7%
6375 - Events and Conferences	15,631	48,820	33,820	33,820	33,820	34,020	0.6%
6377 - Business Meals	1,717	2,000	2,000	2,000	2,000	2,000	0.0%
6380 - Travel- Lodging	21,953	30,300	30,300	30,300	30,300	32,500	7.3%
6390 - Travel - Meals	8,234	8,950	8,950	8,950	8,950	11,650	30.2%
6410 - Travel - Other	645	500	500	500	500	500	0.0%
6430 - Travel - Transportation	28,090	28,050	28,050	28,050	28,050	28,150	0.4%
Total Operating and General	409,961	573,043	558,043	558,043	558,043	311,445	-44.2%
Total Expenditures	\$ 731,624	\$ 888,303	\$ 894,191	\$ 894,191	\$ 894,191	\$ 837,544	-6.3%
Total Appropriation	\$ 731,624	\$ 888,303	\$ 894,191	\$ 894,191	\$ 894,191	\$ 837,544	-6.3%

# ENTREPRENEURSHIP AND INNOVATION



# ENTREPRENEURSHIP AND INNOVATION

## GOALS

### The Entrepreneurship and Innovation (E & I) Division has four goals:

- Support the development of new and emerging entrepreneurial and high-growth businesses throughout the state.
- Increase the amount of seed, early-stage and expansion capital in Wisconsin.
- Support the research and development of novel technologies that have the potential to increase a company's ability to compete and grow, and help drive Wisconsin's economy.
- Improve the viability and success of startups and emerging growth companies through substantive technical assistance.

## KEY PERFORMANCE INDICATORS

In FY19, the E & I division intends to accomplish the following:

KPI	TRACKING
Assist 2,383 businesses	Determined by reports generated through awards administration system and partner reporting
Achieve a direct 4:1 leverage on program investment	Determined by reports generated through awards administration system
Achieve a total leverage of 8:1 from additional investment	Determined by reports generated through awards administration system and partner reporting
Assist in the creation of 385 jobs	Determined by reports generated through key strategic partnerships
Assist in the retention of 260 jobs	Determined by reports generated through key strategic partnerships
Assist 22 partner organizations	Determined by the number of commitments for programmatic and key strategic partnerships

## OPERATING PLAN

In FY19, E & I will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

CAPITAL CATALYST	
Description	Provide matching funds to units of government and nonprofits to create seed funding for entrepreneurs and emerging growth companies.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 5 organizations</li><li>• Support 30 startups/early-stage companies</li><li>• Maintain an average co-investment ratio of 1:1</li></ul>



**ENTREPRENEURIAL MICRO-GRANT**

Description	Provide micro-grants to UW-Extension clients for services including SBIR/STTR assistance, business and commercialization planning and entrepreneurial training. Micro-grants are administered by the Center for Technology Commercialization.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$250,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Award 1 organization to assist 100 businesses</li> </ul>

**CAPACITY BUILDING - ENTREPRENEURSHIP SUPPORT GRANT**

Description	Competitive grant to support organizations that provide key and/or unique services to entrepreneurs or emerging companies that enhance the ability to succeed or grow in Wisconsin.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 10 organizations and 250 businesses</li> </ul>

**QUALIFIED NEW BUSINESS VENTURE (QNBV)**

Description	Certify companies for early-stage investment tax credits for angel and/or venture fund investors.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$30,000,000 CY 18 tax credit allocation
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Certify 35 companies and 6 funds</li> <li>• Achieve 4:1 leverage ratio</li> </ul>

**SBIR/STTR MATCHING GRANT**

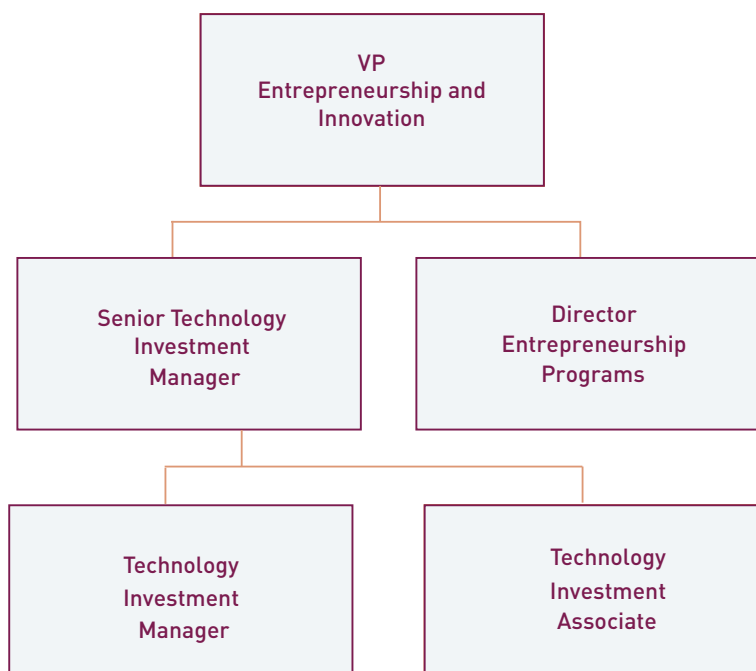
Description	Provide funds to technology-based businesses in or relocating to Wisconsin by matching a portion of Phase I and/or Phase II awards under the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. The program is administered by the Center for Technology Commercialization and largely supports business development objectives not funded by the federal grants.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Award 1 organization to assist 13 businesses</li> <li>• Leverage federal grants 3:1</li> </ul>

**SEED ACCELERATOR**

Description	Provide matching funds to communities/regional entities, thematic organizations or university affiliations to launch seed accelerators based on lean startup or other innovative business modeling concepts for local, regional and international entrepreneurs. Funding is based on at least one class per accelerator.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Award 6 organizations to assist 30 businesses</li> <li>• Maintain an average co-investment ratio of 1:1</li> </ul>

TECHNOLOGY DEVELOPMENT LOANS	
Description	Provide loan funding to innovative companies with promising economic futures to clear the hurdles associated with bringing new technologies, products and concepts to market.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$5,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 15 businesses</li> <li>Achieve leverage ratio of 4:1</li> </ul>

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division and will assure execution of the divisional operating plan.

**Director of Entrepreneurship Programs** – Manages partner-delivered programs and initiatives that support E & I mission and goals.

**Senior Technology Investment Manager** – Manages WEDC-delivered direct support programs (QNBV, TDL) and existing business portfolio.

**Technology Investment Manager** – Develops new opportunities for WEDC-delivered direct support programs (QNBV, TDL) and maintains existing business portfolio.

**Technology Investment Associate** – Supports implementation of WEDC-delivered direct support programs (QNBV, TDL) and contributes to maintenance of existing business portfolio.

## KEY STRATEGIC PARTNERSHIPS

In FY19, E & I will work with the following organizations to deliver WEDC's mission..

### WISCONSIN WOMEN'S BUSINESS INITIATIVE CORPORATION (WWBIC)

Description	WWBIC is a statewide economic development corporation that provides quality business education and financing to Wisconsin's entrepreneurs and small business owners. WWBIC provides services to help entrepreneurs launch and expand small businesses.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$350,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 1,250 businesses</li><li>• Support the creation of 350 jobs</li><li>• Support the retention of 250 jobs</li><li>• Finance 35 startups</li><li>• Provide at least \$5,000,000 in financing</li></ul>

### CENTER FOR TECHNOLOGY COMMERCIALIZATION (CTC)

Description	CTC provides statewide access to high-quality business development services and will administer training and grants for state-wide approved applicants under the EMG program; implement statewide SBIR assistance program; administer the SBIR/STTR Matching Grant program. CTC also manages the Ileadvance Seed fund and is an active partner in other strategic initiatives to support early-stage business development.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$540,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 400 businesses</li><li>• Support the creation of 25 jobs</li><li>• Support the retention of 10 jobs</li></ul>

### BRIGHTSTAR

Description	BrightStar is a nonprofit statewide investment fund designed to attract private donations that will be invested into Wisconsin's high-growth-potential, early-stage companies, providing them capital to grow their business and create jobs. BrightStar is also active in the development of entrepreneurial communities and quality of life initiatives in Wisconsin.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$50,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Provide at least \$750,000 in financing</li><li>• Support the creation of 10 jobs</li><li>• Finance 10 startup/emerging growth companies</li></ul>



## WISCONSIN TECHNOLOGY COUNCIL (WTC)

*Including Wisconsin Angel Network (WAN)*

Description	WTC will provide local support for increasing seed, early-stage and expansion-stage financing, and will collaborate with WEDC's International Business Development Division. The mission of WTC's "Investor Networks" is to build angel network and venture capital capacity throughout Wisconsin in order to increase the number and amount of seed-stage equity investments in Wisconsin companies.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$310,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• 200 companies receiving assistance through events and programs</li><li>• Manage and facilitate connections between 50 entrepreneurs and investors</li><li>• Conduct five angel investing seminars</li></ul>

### KEY STRATEGIC INITIATIVES

- Build statewide digital entrepreneurship support platform
- Explore expanding Capital Catalyst eligibility to leverage private investors
- Improve communication and best practice awareness of accelerator program managers

### BUDGET NOTES

- 5400 – Extended Enterprise includes the development of a new statewide digital entrepreneurship platform

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Entrepreneurship & Innovation - 2000

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4009 - Federal - SSBCI	\$ 1,328,228	\$ -	\$ -	\$ -		\$ -	0.0%
4145 - State Loan Repayments	842,087	695,000	695,000	695,000	695,000	900,000	29.5%
4147 - Interest - Forgivable Loans	(39,632)	-	-	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(169,958)	-	-	-	-	-	0.0%
4180 - Loan Origination Fees	88,030	100,000	100,000	100,000	100,000	100,000	0.0%
4181 - Tax Transfer Fees	81,960	60,000	60,000	40,000	40,000	50,000	25.0%
4182 - Award Penalty Fees	5,000	5,000	5,000	15,000	15,000	10,000	-33.3%
Total	2,135,715	860,000	860,000	850,000	850,000	1,060,000	24.7%
<b>Expenditures</b>							
Program Grants							
6600.1 - Capacity Building Grants - E&I	105,739	500,000	500,000	500,000	500,000	500,000	0.0%
6630 - Seed Accelerator Program	1,116,836	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
6646 - Entrepreneurial Micro-grant Program	299,735	200,000	250,000	250,000	250,000	250,000	0.0%
6650 - Capital Catalyst Program	1,690,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.0%
6731 - 6SBIR/STTR Matching Grant	1,275,000	1,000,000	1,350,000	1,350,000	1,350,000	1,500,000	11.1%
Total Program Grants	4,487,310	4,200,000	4,600,000	4,600,000	4,600,000	4,750,000	3.3%
Key Strategic Partnerships							
5120 - WWBIC	350,000	350,000	350,000	350,000	350,000	350,000	0.0%
5130 - WEN (CTC)	563,801	540,000	540,000	540,000	540,000	540,000	0.0%
5140 - Wisconsin Technology Council	310,000	310,000	310,000	310,000	310,000	310,000	0.0%
5141 - BrightStar Wisconsin Foundation	50,000	50,000	50,000	50,000	50,000	50,000	0.0%
Total Key Strategic Partnerships	1,273,801	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	0.0%
Payroll and Benefits							
6000 - Benefits- Health Insurance	56,707	58,335	57,438	57,438	57,438	49,135	-14.5%
6010 - Benefits- Life Insurance	72	107	107	107	107	87	-18.7%
6015 - Benefits-Retirement	26,873	27,219	27,330	27,330	27,330	27,504	0.6%
6020 - Benefits- Payroll Taxes	29,628	30,621	30,748	30,748	30,748	31,093	1.1%
6021 - Benefits - STD/LTD	-	-	2,032	2,032	2,032	1,990	-2.1%
6025 - Benefits Other	160	-	-	-	-	-	0.0%
6026 - Benefits - Commuting Stipend	-	-	2,770	2,770	2,770	2,770	0.0%
6040 - Merit/Incentives	4,050	4,003	4,018	4,018	4,018	4,065	1.2%
6050 - Compensation- Salary	400,623	404,277	401,923	401,923	401,923	406,446	1.1%
6055 - Professional Development	3,100	4,500	4,500	3,000	3,000	3,000	0.0%
Total Payroll and Benefits	521,213	529,062	530,866	529,366	529,366	526,090	-0.6%
Operating and General							
5400 - Extended Enterprise	-	-	-	-	-	110,000	100.0%
6120 - Office Expense- Other	1,788	1,700	1,700	1,700	1,700	1,700	0.0%
6150 - Office Expense- Rent	1,350	-	-	4,050	4,050	-	-100.0%
6245 - Dues, Subscriptions, and Memberships	5,500	6,000	6,000	6,000	6,000	6,000	0.0%
6375 - Events and Conferences	2,488	3,200	3,200	3,200	3,200	2,500	-21.9%
6377 - Business Meals	23	300	300	300	300	300	0.0%
6380 - Travel- Lodging	5,392	8,000	8,000	6,500	6,500	6,000	-7.7%
6390 - Travel - Meals	1,480	4,200	4,200	1,700	1,700	2,000	17.6%
6410 - Travel - Other	-	300	300	300	300	300	0.0%
6430 - Travel - Transportation	11,093	13,000	13,000	17,000	17,000	14,000	-17.6%
Total Operating and General	29,114	36,700	36,700	40,750	40,750	142,800	250.4%
Bad Debt							
6799 - Bad Debt Expense - (A/R)	2,526,349	500,000	800,000	800,000	800,000	500,000	-37.5%
Total Bad Debt	2,526,349	500,000	800,000	800,000	800,000	500,000	-37.5%
Total Expenditures	\$ 8,837,787	\$ 6,515,762	\$ 7,217,566	\$ 7,220,116	\$ 7,220,116	\$ 7,168,890	-0.7%
Loans are not considered to be expenditures, but do constitute a use of funds.							
Loans Proposed							
11xx - Technology Development Loans--State	2,905,500	3,000,000	3,000,000	3,000,000	3,000,000	5,000,000	66.7%
11xx - Technology Development Loans--SSBCI	1,450,000	-	-	-	-	-	0.0%
11xx - New Technology Development Loans - SSBCI	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-100.0%
Total Loans	4,355,500	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	0.0%
Less: Loan principal repayments	(3,772,465)	(2,191,661)	(2,037,612)	(2,037,612)	(2,037,612)	(2,400,703)	17.8%
Less: Loan Loss Reserve (included above)	(2,526,349)	(500,000)	(800,000)	(800,000)	(800,000)	(500,000)	-37.5%
Net additional funding for loans	6,311,438	2,308,339	2,162,388	2,162,388	2,162,388	2,099,297	-2.9%

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Entrepreneurship & Innovation - 2000

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
Total Appropriation	\$ 15,149,225	\$ 8,824,101	\$ 9,379,954	\$ 9,382,504	\$ 9,382,504	\$ 9,268,187	6.3%

# **INTERNATIONAL BUSINESS DEVELOPMENT**



# INTERNATIONAL BUSINESS DEVELOPMENT

## GOALS

### The International Business Development (IBD) Division has three goals:

- Build Wisconsin's export community by strengthening Wisconsin's export partnerships and by increasing Wisconsin companies' export skills.
- Increase the number of Wisconsin companies exporting as well as increasing the markets they engage with.
- Increase the number of FDI expansion and attraction projects, with a focus on Wisconsin's key industry clusters and key geographies, including Western Europe, Canada and China.

## KEY PERFORMANCE INDICATORS

In FY19, the IBD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 184 businesses	Determined by reports generated through awards administration system
Provide technical assistance to 450 businesses	Determined by reports generated by authorized trade representatives
Assist 4 partner organizations	Determined by the number of commitments for Collaborative Market Access grants and deploying ExporTech™
Conduct 8 FDI events abroad on 6 targeted international trips	Determined by activities organized through global trade ventures (GTV) and business development ventures

## OPERATING PLAN

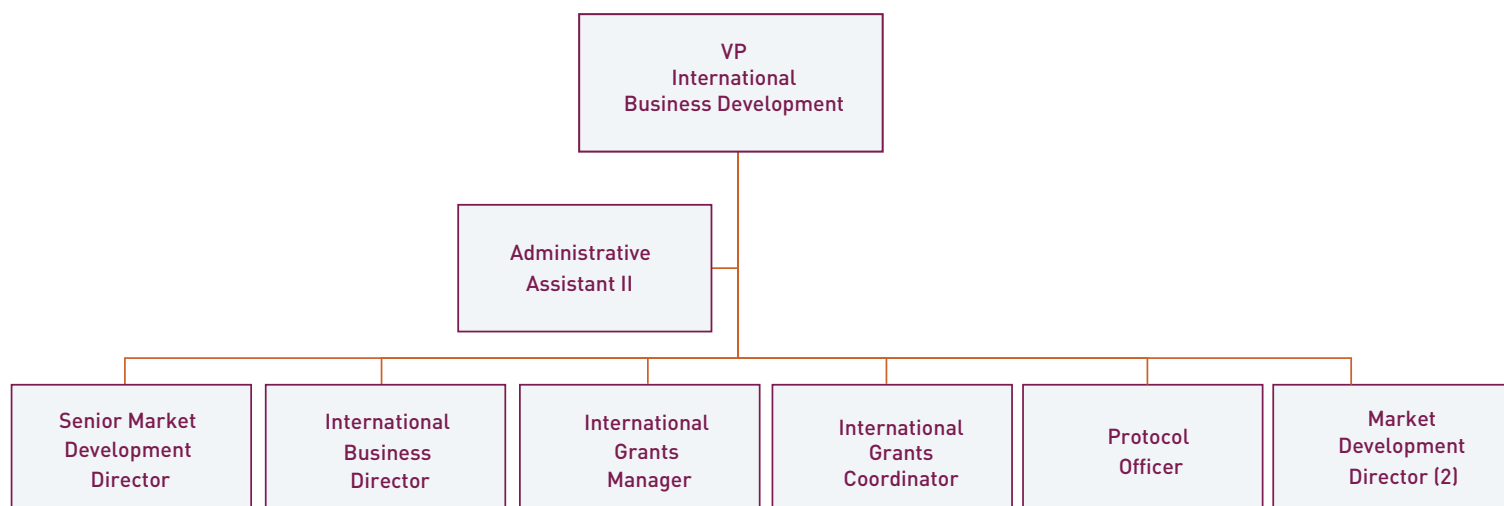
In FY19, IBD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

EXPORTECH™	
Description	Support Wisconsin companies with a program that facilitates writing an export strategy and identification of each company's top three target markets.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$222,000
Activities and Expected Outcomes	Award one organization to assist 37 businesses

GLOBAL BUSINESS DEVELOPMENT PROGRAM	
Description	Accelerate the export development and expansion of Wisconsin companies by providing financial support for export-related services on a tiered basis.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$1,200,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• IMAG: Assist 61 businesses</li><li>• CMAG: Award 3 organizations to assist 60 businesses</li></ul>

GLOBAL TRADE VENTURES	
Description	Take Wisconsin companies to foreign target markets to accelerate exports to those countries.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$653,882 (non-aids)
Activities and Expected Outcomes	Support 6 global trade ventures in WEDC's target markets in 8 countries and assist 45 businesses

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division and will assure execution of the divisional operating plan.

**International Business Director** – Manages international foreign direct investment initiatives. Assists team with goals relating to the Global Network.

**Senior Market Development Director** – Coordinates and manages the Global Network. Assists companies with technical assistance to create and implement export strategies.

**Market Development Director** – Assists companies with technical assistance to create and implement export strategies, thus meeting IBD's mission.

**International Grants Manager** – Responsible for the vision and management of all IBD grants, which assist companies in creating and implementing export strategies.

**International Grants Coordinator** – Assists in the coordination of the division's state and federal grant programs.

**Protocol Officer** – Responsible for the communication and initiatives between IBD and the Governor's office and/or WEDC's executive office with regard to participation in international export activities.

**Administrative Assistant II** – Organizes schedules and activities of the VP and team members. Assists team in various administrative duties.

## KEY STRATEGIC PARTNERSHIPS

In FY19, IBD will work with the following organizations to deliver WEDC's mission.

GLOBAL NETWORK OF AUTHORIZED TRADE REPRESENTATIVES (ATR)	
Description	IBD works with Wisconsin's contracted ATRs to support the export needs of Wisconsin companies.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$230,000
Activities and Expected Outcomes	Assist 450 businesses by: <ul style="list-style-type: none"><li>• Providing market assessments and partner searches for Wisconsin companies in their country of representation</li><li>• Visit Wisconsin to meet with Wisconsin companies to better understand their export needs and to support enrollment in business development ventures</li><li>• Resolving immediate export problems of Wisconsin companies</li></ul>

## KEY STRATEGIC INITIATIVES

- Identify target countries by driver industry cluster over the next 3-5 years for exports and foreign direct investment.
- Develop the international development strategy for the industry cluster organizations in collaboration with Sector Strategy Development Division
- Raise awareness about the role of cultural fluency and language skills in a successful export strategy

## BUDGET NOTES

- 6000 – 6055 - Payroll and benefits includes one new FTE position, International Grants Coordinator
- Operating and general expenses includes six Global Trade Ventures (Canada, Mexico, China, Africa, Australia, UK & France)



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

International Business Development - 7000

Account No. and Name	FY17 Actual	FY18	FY18	FY18	FY18	FY19	New Funds
		Budget Original	Budget Amend February	Budget Amend April	Budget Amend June	Budget New Funds	% Chg FY19
Revenues							
4013 - Federal - STEP Grant	\$ 123,628	\$ 350,000	\$ 350,000	\$ 731,091	\$ 731,091	\$ 711,612	-2.7%
4170 - Revenue-Other Income	88,690	107,900	107,900	107,900	107,900	126,226	17.0%
Total	212,318	457,900	457,900	838,991	838,991	837,838	-0.1%
Expenditures							
Program Grants							
6655 - Exportech Grants	132,554	214,000	214,000	214,000	214,000	222,000	3.7%
6665.1 - International Market Access Grant	480,260	750,000	750,000	900,000	1,200,000	1,082,000	-9.8%
6665.2 - Collaborative Market Access Grant	113,552	450,000	450,000	300,000	300,000	118,000	-60.7%
6665.4 - International Market Access Grant - STEP	103,657	300,000	300,000	300,000	-	-	0.0%
Total Program Grants	830,023	1,714,000	1,714,000	1,714,000	1,714,000	1,422,000	-17.0%
Key Strategic Partnerships							
5105 - Global Partner Network	183,680	230,000	230,000	230,000	230,000	230,000	0.0%
Total Key Strategic Partnerships	183,680	230,000	230,000	230,000	230,000	230,000	0.0%
Payroll and Benefits							
6000 - Benefits- Health Insurance	106,188	107,942	108,900	108,900	108,900	117,465	7.9%
6010 - Benefits- Life Insurance	316	388	388	388	388	420	8.2%
6015 - Benefits-Retirement	37,750	38,123	38,877	38,877	38,877	41,684	7.2%
6020 - Benefits- Payroll Taxes	43,098	44,639	43,738	43,738	43,738	47,975	9.7%
6021 - Benefits - STD/LTD	-	-	2,829	2,829	2,829	3,129	10.6%
6026 - Benefits - Commuting Stipend	-	-	3,324	3,324	3,324	3,878	16.7%
6040 - Merit/Incentives	9,500	5,606	5,717	5,717	5,717	6,271	9.7%
6050 - Compensation- Salary	573,482	589,354	571,723	571,723	571,723	627,119	9.7%
6055 - Professional Development	2,646	15,000	15,000	5,000	5,000	12,542	150.8%
Total Payroll and Benefits	772,980	801,052	790,496	780,496	780,496	860,483	10.2%
Operating and General							
6120 - Office Expense- Other	24,850	9,440	9,440	19,440	19,440	27,530	41.6%
6200 - Professional Fees- Consulting Fees	167,744	349,750	349,750	326,498	326,498	376,650	15.4%
6210 - Professional Fees- Legal	5	-	-	-	-	-	0.0%
6236 - Print Material Production	2,630	3,705	3,705	3,705	3,705	4,095	10.5%
6245 - Dues, Subscriptions, and Memberships	9,314	5,000	5,000	10,000	10,000	15,000	50.0%
6360 - Supplies & Equipment- Office Supplies	428	500	500	1,000	1,000	500	-50.0%
6375 - Events and Conferences	37,404	122,065	122,065	170,000	170,000	161,774	-4.8%
6377 - Business Meals	2,304	2,500	2,500	2,500	2,500	3,000	20.0%
6380 - Travel- Lodging	121,409	163,183	163,183	123,000	123,000	176,263	43.3%
6390 - Travel - Meals	23,846	57,758	57,758	57,758	57,758	58,308	1.0%
6410 - Travel - Other	2,858	6,975	6,975	6,975	6,975	6,110	-12.4%
6430 - Travel - Transportation	129,567	206,155	206,155	206,155	206,155	218,410	5.9%
Total Operating and General	522,359	927,031	927,031	927,031	927,031	1,047,640	13.0%
Total Expenditures	\$ 2,309,042	\$ 3,672,083	\$ 3,661,527	\$ 3,651,527	\$ 3,651,527	\$ 3,560,123	-2.5%
Total Appropriation	\$ 2,309,042	\$ 3,672,083	\$ 3,661,527	\$ 3,651,527	\$ 3,651,527	\$ 3,560,123	-2.5%





# SECTOR STRATEGY DEVELOPMENT



# SECTOR STRATEGY DEVELOPMENT

## GOALS

The Sector Strategy Development (SSD) Division has three goals:

- Extend the geographic reach and implementation of Targeted Industry Projects (TIP) investments to achieve increased growth and competitiveness for identified priority industry sectors.
- Support priority special projects to achieve unique and substantial economic benefit to defined needs in Wisconsin. Demonstrate the capacity to engage with priority needs quickly and effectively, with the resources required to positively impact economic development at the local, regional and state level.
- Advance key industry initiatives and collaborate investments to substantially enhance the market power and positioning of priority industry sectors in the state.

## KEY PERFORMANCE INDICATORS

In FY19, the SSD division intends to accomplish the following:

KPI	TRACKING
Assist 900 businesses	Determined by reports generated through awards administration system and partner reporting
Achieve a 3:1 leverage ratio	Determined by reports generated through awards administration system and partner reporting
Assist 8 partner organizations	Determined by the number of TIP investments and investment in KSP
Assist 20 communities	Determined by reports generated through awards administration system
Assist in the creation of 500 jobs and the retention of 900 jobs through KSP investments	Determined by the number of jobs to be created/retained, tracked through quarterly reporting

## OPERATING PLAN

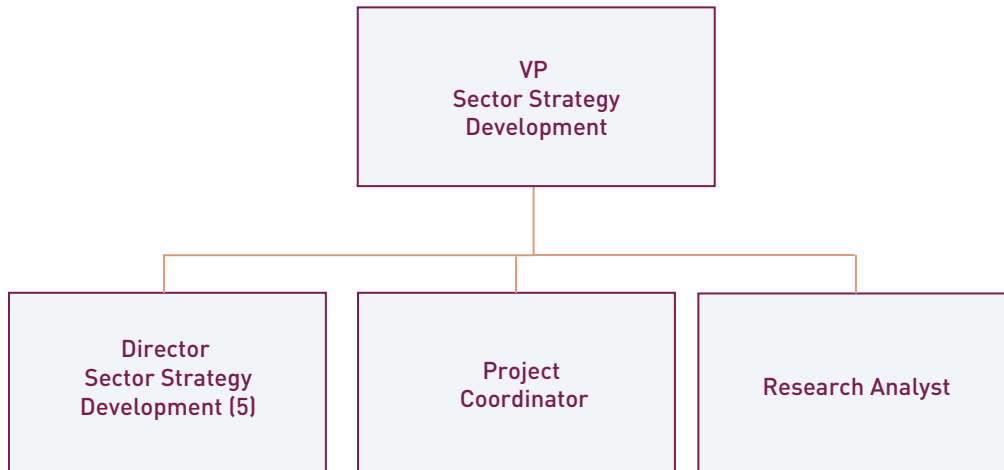
In FY19, SSD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

TARGETED INDUSTRY PROJECTS	
Description	Provide grants to support costs of formal strategy development, consortium development, centers of excellence, partner development and co-investment (non-WEDC) to advance priority industries, sectors and clusters.
Strategic Pillar	Strategic Economic Competitiveness – Future Industry Strategies
Budget (Non-Staff Expenses)	\$3,800,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 7 unique organizations</li><li>• Achieve a 3:1 leverage ratio</li><li>• Assist 50 businesses</li></ul>

## FABRICATION LABORATORIES (FAB LABS) GRANT PROGRAM

Description	Support hands-on Science, Technology, Engineering, Arts and Math (STEAM) education by assisting Wisconsin public school districts with equipment purchases used for instructional and educational purposes in fabrication laboratories in Wisconsin Schools.
Strategic Pillar	Strategic Economic Competitiveness-State/Regional Talent and Workforce Initiatives
Budget (Non-Staff Expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 20 school districts and consortiums</li> </ul>

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division, and will assure execution of the divisional operating plan.

**Director of Sector Strategy Development** – Executes sector strategy and sector portfolio management; investment placement, monitoring and evaluation; impact assessment and reporting; and all associated account management, opportunity management and project management in the assigned industry sector, as well as assigned special initiatives.

**Research Analyst** – Conducts quantitative/qualitative research, analysis and reporting to support sector portfolio management and priority investment strategy, as well as to inform senior WEDC leadership of important economic/workforce trends. Serves as primary liaison to analysts at other governmental agencies (state, federal and local).

**Project Coordinator**- Responsible for administration and project management oversight for the FAB Lab competitive grant program, as well as manage, monitor, and track open SSD grants and disbursement requests. Provides special projects assistance for initiatives assigned by division Vice President.

## KEY STRATEGIC PARTNERSHIPS

In FY19, SSD will work with the following organizations to deliver WEDC's mission.

WISCONSIN CENTER FOR MANUFACTURING AND PRODUCTIVITY (WCMP)	
Description	WCMP, delivering direct services through the Wisconsin Manufacturing Extension Partnership and the UW-Stout Manufacturing Outreach Center, provides specialized, high-impact advisory and implementation services in continuous improvement to Wisconsin small and mid-size manufacturers (SMMs) at below-market rates.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$1,275,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 850 small and mid-size manufacturers (SME) businesses</li><li>• Assist in the creation of 500 jobs and retention of 900 jobs</li><li>• Actively support Global Cities Initiative, PSI/ME<sub>3</sub>, DoD Supplier Assistance Initiative, Transformational Productivity Initiative, and Aviation and Aerospace Supplier Development Initiative</li></ul>

## KEY STRATEGIC INITIATIVES

- Grow the Transformational Productivity Initiative into Phase Two of the project plan
- Establish regional focused sector events around the state's key driver industries
- Implement centers of excellence in bio-health and material science

## BUDGET NOTES

- 6225 – Pass-through federal grant expenditures moved to the Business and Community Development division

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Sector Strategy Development - 4000

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4014 - Federal - DOD Grant	\$ 203,360	\$ 640,590	\$ 640,590	\$ 545,260	\$ 545,260	\$ -	-100.0%
4170 - Revenue-Other Income	135	-	-	96,300	96,300	-	-100.0%
Total	203,495	640,590	640,590	641,560	641,560	-	-100.0%
<b>Expenditures</b>							
Program Grants							
6640 - Targeted Industry Investment Grants	1,084,379	3,000,000	3,350,000	3,886,000	3,976,000	3,800,000	-4.4%
6754 - FabLab TA - JFC	-	100,000	-	-	-	-	0.0%
6755 - Fabrication Laboratories	572,827	500,000	500,000	505,000	505,000	500,000	-1.0%
Total Program Grants	1,657,206	3,600,000	3,850,000	4,391,000	4,481,000	4,300,000	-4.0%
Key Strategic Partnerships							
5175 - WCMP	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,275,000	2.0%
Total Key Strategic Partnerships	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,275,000	2.0%
Payroll and Benefits							
6000 - Benefits- Health Insurance	92,808	98,904	106,212	106,212	106,212	107,813	1.5%
6010 - Benefits- Life Insurance	532	675	675	675	675	781	15.7%
6015 - Benefits-Retirement	38,198	38,942	36,208	36,208	36,208	39,986	10.4%
6020 - Benefits- Payroll Taxes	44,197	43,809	40,734	40,734	40,734	45,202	11.0%
6021 - Benefits - STD/LTD	-	-	2,577	2,577	2,577	2,483	-3.6%
6026 - Benefits - Commuting Stipend	-	-	2,216	2,216	2,216	2,770	25.0%
6040 - Merit/Incentives	8,050	5,727	5,324	5,324	5,324	5,909	11.0%
6050 - Compensation- Salary	589,771	578,398	532,462	532,462	532,462	590,889	11.0%
6055 - Professional Development	13,377	15,000	15,000	15,000	15,000	11,818	-21.2%
Total Payroll and Benefits	786,933	781,455	741,408	741,408	741,408	807,651	8.9%
Operating and General							
6120 - Office Expense- Other	3,959	3,500	3,500	3,500	3,500	3,500	0.0%
6150 - Office Expense- Rent	-	3,200	3,200	3,200	3,200	-	-100.0%
6200 - Professional Fees- Consulting Fees	-	35,000	35,000	35,000	35,000	35,700	2.0%
6225 - Pass-through federal grant expenditures	400,936	640,590	640,590	545,260	545,260	-	-100.0%
6236 - Print Material Production	-	1,500	1,500	1,500	1,500	-	-100.0%
6245 - Dues, Subscriptions, and Memberships	6,887	9,000	9,000	9,000	9,000	9,180	2.0%
6360 - Supplies & Equipment- Office Supplies	173	1,500	1,500	1,500	1,500	1,500	0.0%
6375 - Events and Conferences	5,122	32,175	32,175	32,175	32,175	16,000	-50.3%
6377 - Business Meals	1,180	2,500	2,500	2,500	2,500	2,550	2.0%
6380 - Travel- Lodging	23,712	12,000	12,000	12,000	12,000	12,240	2.0%
6390 - Travel - Meals	9,537	5,000	5,000	5,000	5,000	5,100	2.0%
6410 - Travel - Other	70	1,000	1,000	1,000	1,000	1,020	2.0%
6430 - Travel - Transportation	38,305	35,000	35,000	35,000	35,000	35,700	2.0%
Total Operating and General	489,881	781,965	781,965	686,635	686,635	122,490	-82.2%
Total Expenditures	\$ 4,184,020	\$ 6,413,420	\$ 6,623,373	\$ 7,069,043	\$ 7,159,043	\$ 6,505,141	-9.1%





# MARKETING AND BRAND STRATEGY





# MARKETING AND BRAND STRATEGY

## GOALS

WEDC’s Marketing and Brand Strategy Division will promote Wisconsin as a premier location for business, personal and professional fulfillment, driving prospects from awareness to interest to action by pursuing the following goals:

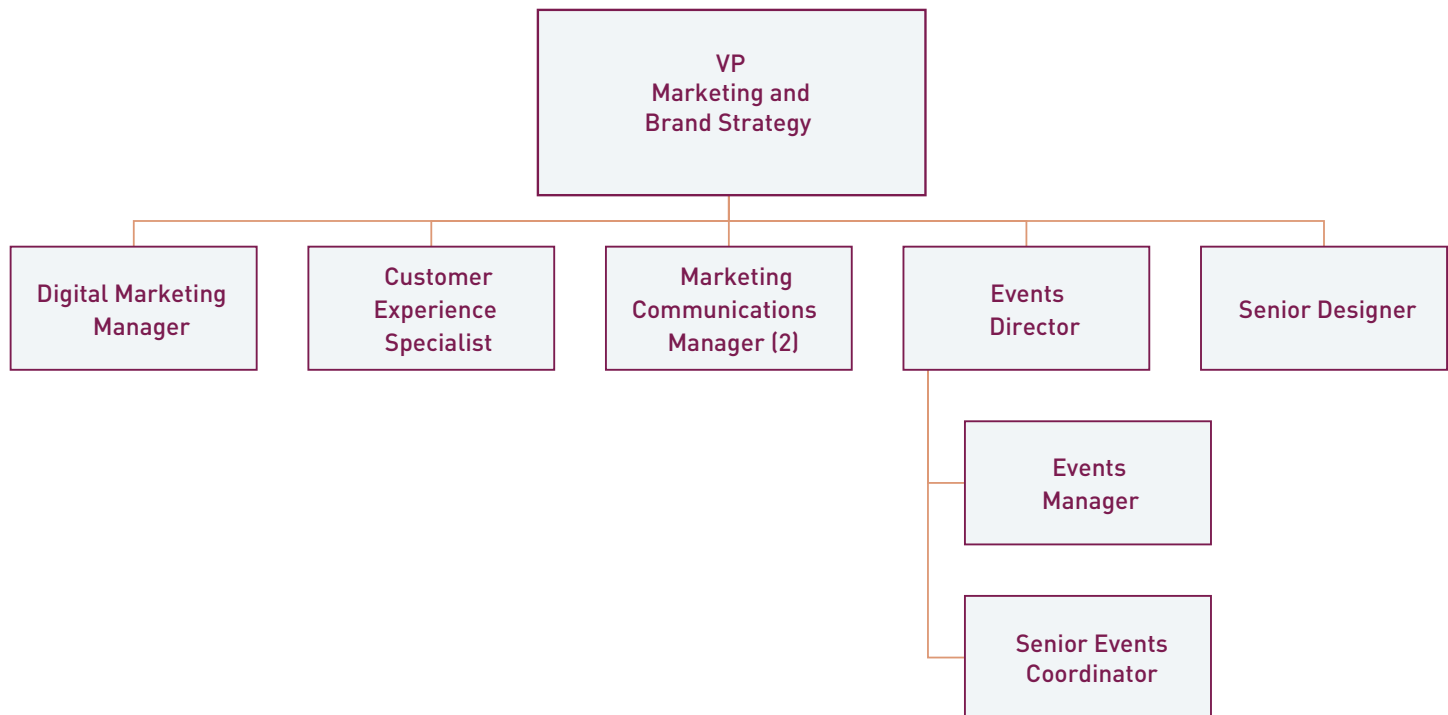
- Communicate Wisconsin’s strong business climate attributes to entrepreneurs, company leaders and influencers seeking to maximize their potential.
- Demonstrate Wisconsin’s value as a career and lifestyle destination.
- Connect Wisconsin companies with information and opportunities relating to international business development.
- Reinforce WEDC’s long-term, positive impact on Wisconsin’s economy.

## KEY PERFORMANCE INDICATORS

MEDIA/CHANNEL	KPI
Paid Media <ul style="list-style-type: none"><li>• Talent Audience Impressions</li><li>• Business Audience Impressions</li></ul>	<ul style="list-style-type: none"><li>• 241,093,618</li><li>• 25,693,149</li></ul>
Website <ul style="list-style-type: none"><li>• <b>InWisconsin.com</b><ul style="list-style-type: none"><li>■ Sessions</li><li>■ Engagement Actions</li></ul></li><li>• <b>WEDC.org</b><ul style="list-style-type: none"><li>■ Sessions</li><li>■ Engagement Actions</li></ul></li></ul>	<ul style="list-style-type: none"><li>• 670,000</li><li>• 15,100</li><li>• 80,000</li><li>• 359</li></ul>
Website <ul style="list-style-type: none"><li>• INsource</li><li>• INsite</li><li>• INterconnect</li><li>• INbound</li><li>• INvest</li></ul>	<ul style="list-style-type: none"><li>• 5,100</li><li>• 1,570</li><li>• 1,835</li><li>• 865</li><li>• 2,125</li></ul>

MEDIA/CHANNEL	KPI
<ul style="list-style-type: none"> <li>• WEDC LinkedIn Followers</li> <li>• WEDC LinkedIn Organic Impressions</li> <li>• Think-Make-Happen LinkedIn Followers</li> <li>• Think-Make-Happen LinkedIn Organic Impressions</li> <li>• WEDC Twitter Followers</li> <li>• WEDC Twitter Organic Impressions</li> <li>• In Wisconsin Twitter Followers</li> <li>• In Wisconsin Organic Impressions</li> <li>• Think-Make-Happen Facebook Followers</li> <li>• Think-Make-Happen Facebook Organic Impressions</li> <li>• Think-Make-Happen Instagram Followers</li> <li>• Think-Make-Happen Instagram Organic Impressions</li> <li>• Think-Make-Happen YouTube Views</li> </ul>	<ul style="list-style-type: none"> <li>• 1,500</li> <li>• 800,000</li> <li>• 500</li> <li>• 50,000</li> <li>• 1,200</li> <li>• 1,500,000</li> <li>• 400</li> <li>• 1,000,000</li> <li>• 2,500</li> <li>• 600,000</li> <li>• 550</li> <li>• 20,000</li> <li>• 10,000</li> </ul>
Event Audience	• 64,000
Event Engagement Actions	• 298
Earned Media Placements	• 2,700
Earned Media Impressions	• 1,200,000,000

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the Division and will assure execution of the divisional operating plan.

**Events Director** – Oversees the events team, including an Events Manager and Senior Events Coordinator; manages workflows, systems and budgets for the team and ensures the delivery of high quality services to internal customers and event participants.

**Events Manager** – Plans and executes strategies relating to WEDC’s participation in trade shows and other face-to-face marketing opportunities.

**Senior Events Coordinator** – Supports the Events Director and Events Manager in planning, organizing, coordinating, promoting and facilitating successful events and meetings with the aim of building awareness of and preference for WEDC programs and initiatives.

**Digital Marketing Manager** – Manages WEDC’s electronic communications channels, including but not limited to website, social media, and electronic newsletters, ensuring that content is accurate, timely and relevant.

**Senior Designer** – Designs and produces WEDC marketing materials in accordance with WEDC brand standards, including but not limited to brochures, flyers, advertisements, reports, and trade show exhibits. The Senior Designer also assists with the design of WEDC’s website and other electronic communications platforms.

**Marketing Communications Manager** – Develop and deliver core organizational messages relating to WEDC programs and outcomes. The Managers conduct research and tap internal and external sources in order to ensure the accuracy and suitability of information in WEDC printed publications, electronic postings and presentations.

**Customer Experience Specialist** – Assists WEDC to deliver consistent and brand-appropriate customer service by defining, executing and measuring standard processes relating to each point within the service continuum. The Customer Experience Specialist measures WEDC’s lead-generation process and administers the Made In Wisconsin Program.

**External Marketing Agency** – WEDC uses an external marketing agency to help develop and execute a marketing plan to promote Wisconsin as a premier destination for business, professional and personal fulfillment.

OPERATING PLAN

The following marketing plan is organized by communications objective and reflects input from divisional leaders.

GOAL	STRATEGIES
1. Drive action among business leaders and influencers considering relocation to or investment in new or expanded Wisconsin operations.	<p><b>Strategy 1:</b></p> <p>Leverage highly targeted paid media campaigns and owned media channels to connect decision-makers with the information necessary to support new business development initiatives: site selectors and commercial real estate consultants; Wisconsin entrepreneurs; investors; and professional service providers.</p> <p><b>Strategy 2:</b></p> <p>Ongoing relationship marketing programs that deliver compelling industry, workforce, quality-of-life and incentive information to key audience segments:</p> <ul style="list-style-type: none"><li>• Wisconsin Entrepreneurs</li><li>• Established Wisconsin Businesses</li><li>• Startup/Early-Stage Investors</li><li>• Business Attraction Prospects/Site Selectors</li><li>• Foreign Direct Investment Prospects</li></ul> <p><b>Strategy 3:</b></p> <p>Conduct targeted national media relations campaign promoting compelling Wisconsin business success stories and industry expert perspective, primarily targeting attraction media outlets.</p> <p><b>Strategy 4:</b></p> <p>Participate in targeted national and international events to engage with business leaders and consultants who drive expansion/relocation decisions.</p>

GOAL	STRATEGIES
<p>2. Demonstrate Wisconsin's value as a career and lifestyle destination.</p>	<p><b>Strategy 1:</b></p> <p>Identify and prioritize key geographic and demographic targets for talent attraction marketing.</p> <p><b>Strategy 2:</b></p> <p>Reinforce and foster positive perceptions and attitudes of Wisconsin among millennials living within the state.</p> <p><b>Strategy 3:</b></p> <p>Develop and deliver creative materials and comprehensive message delivery architecture including video, digital, direct, print, and experiential marketing programs.</p> <p><b>Strategy 4:</b></p> <p>Deliver compelling content through owned/social media channels targeting talent retention and recruitment audiences.</p> <p><b>Strategy 5:</b></p> <p>Develop and deploy a national face-to-face event marketing strategy connecting transitioning military veterans with career opportunities in Wisconsin.</p> <p><b>Strategy 6:</b></p> <p>Deliver national and in-state earned media relations campaign designed to deliver motivating messages to talent recruitment and retention audiences promoting Wisconsin as an ideal career and lifestyle destination.</p>
GOAL	STRATEGIES
<p>3. Connect Wisconsin companies with information and opportunities relating to international business development.</p>	<p><b>Strategy 1:</b></p> <p>Targeted paid media program promoting WEDC export development resources and programs.</p> <p><b>Strategy 2:</b></p> <p>Ongoing relationship marketing program providing Wisconsin companies actionable information relating to exporting opportunities.</p> <p><b>Strategy 3:</b></p> <p>Promotion of Wisconsin Governor's Export Award winners.</p>

GOAL	STRATEGIES
<p><b>4.</b> Reinforce WEDC's long-term, positive impact on Wisconsin's economy.</p>	<p><b>Strategy 1:</b> Prominently convey WEDC responsiveness across all marketing and communications tactics.</p> <p><b>Strategy 2:</b> Develop and deploy organizational messaging tools including reports, presentations, brochures and webpages that clearly articulate WEDC's priorities, underscore the soundness of WEDC's organizational structure, and powerfully convey the positive impact of WEDC's work.</p> <p><b>Strategy 3:</b> Deliver regular updates to key stakeholders concerning WEDC programs and initiatives and the results they achieve, specifically highlighting the economic benefits created for businesses, communities and partner organizations by WEDC investments.</p> <ul style="list-style-type: none"> <li>• INsource Newsletter</li> </ul> <p><b>Strategy 4:</b> Promote WEDC investment outcomes, outreach initiatives and business success stories through social and other owned media channels.</p> <p><b>Strategy 5:</b> Pursue an aggressive in-state media relations strategy that draws positive attention to WEDC strategies, investments and measurable impact, localizing stories to the areas benefitting from new business and community development initiatives.</p> <p><b>Strategy 6:</b> Maximize the visibility of WEDC-supported projects through public announcements and groundbreaking events, inviting participation by local community and business leaders, partners and lawmakers.</p> <p><b>Strategy 7:</b> Demonstrate thought leadership by producing and publicizing studies that track economic development trends in Wisconsin.</p> <p><b>Strategy 8:</b> Seek professional speaking opportunities for WEDC leaders at industry and economic development events.</p> <p><b>Strategy 9:</b> Attend, support and participate in statewide business development and community development events, providing a leadership perspective on the state of Wisconsin's economic development practice.</p>

## KEY STRATEGIC INITIATIVES

- Maintain, enhance and optimize InWisconsin.com and wedc.org websites to deliver informational objectives and fulfill data-capture and relationship marketing initiatives. Budget includes online tool development and deployment to meet target audience message communications objectives. A significant project for FY19 involves incorporating the content of Invest.InWisconsin.com into the new InWisconsin.com website.
- Support industry, partner, and economic-development events through investment and involvement in order to connect with audiences looking to startup, grow or relocate operations in Wisconsin.
- Track, analyze and optimize performance metrics including: lead flow optimization, tracking, reporting, analysis, distribution.

## BUDGET NOTES

- WEDC received \$6.8 million in general purpose revenue to develop and implement initiatives for attracting talent to and retaining talent in the state. The majority of this funding will be spent in FY19.
- 6220 – Professional Fees – Other Services include services related to Veterans Events, related to the Talent Attraction and Retention initiative
- 6230 – Advertising Production and 6236 -Advertising Production includes developing and delivering creative material and message delivery architecture, including video, digital, direct, print, and experiential marketing program for Talent Attraction and Retention initiative
- 6237 – Public Relations includes delivery of content through owned/social media channels targeting talent retention and recruitment audiences and to deliver national and in-state earned media relations campaigns designed to deliver motivating messages to talent recruitment and retention audiences, promoting Wisconsin as an ideal career and lifestyle destination
- 6375 – Event and Conferences includes Veteran Attraction Events related to the Talent Attraction and Retention initiative

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Marketing & Brand Strategy - 5000

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4170 - Revenue-Other Income	\$ 13,073	\$ 10,000	\$ 10,000	\$ 100	\$ 100	\$ 10,000	9900.0%
4185 - Sponsorship Contributions	-	-	-	5,000	5,000	-	-100.0%
Total	13,073	10,000	10,000	5,100	5,100	10,000	96.1%
<b>Expenditures</b>							
Payroll and Benefits							
6000 - Benefits- Health Insurance	88,587	107,195	106,680	106,680	106,680	117,043	9.7%
6010 - Benefits- Life Insurance	277	335	335	335	335	334	-0.3%
6015 - Benefits-Retirement	37,022	40,538	41,159	41,159	41,159	41,959	1.9%
6020 - Benefits- Payroll Taxes	40,722	45,605	46,304	46,304	46,304	47,434	2.4%
6021 - Benefits - STD/LTD	-	-	3,016	3,016	3,016	3,048	1.1%
6026 - Benefits - Commuting Stipend	-	-	4,986	4,986	4,986	4,986	0.0%
6040 - Merit/Incentives	1,890	5,961	6,053	6,053	6,053	6,200	2.4%
6050 - Compensation- Salary	552,295	602,104	605,276	605,276	605,276	620,072	2.4%
6055 - Professional Development	10,490	13,188	13,188	13,188	13,188	12,401	-6.0%
Total Payroll and Benefits	731,283	814,926	826,997	826,997	826,997	853,477	3.2%
Operating and General							
6057 - Research & Marketing Tools	32,364	65,423	65,423	65,423	65,423	103,100	57.6%
6120 - Office Expense- Other	8,542	5,500	5,500	5,500	5,500	5,800	5.5%
6220 - Professional Fees- Other Services	82,119	10,000	10,000	10,000	10,000	66,000	560.0%
6229 - Marketing Plan Development	280,000	255,000	255,000	481,983	481,983	380,000	-21.2%
6230 - Advertising Production	374,425	505,000	505,000	1,186,758	1,186,758	1,430,000	20.5%
6232 - Advertising Placement	769,475	1,320,000	1,320,000	1,270,000	1,270,000	3,660,000	188.2%
6236 - Print Material Production	155,552	20,000	20,000	20,000	20,000	30,000	50.0%
6237 - Public Relations	367,824	235,000	235,000	203,242	203,242	626,000	208.0%
6238 - Premiums	11,042	15,000	15,000	15,000	15,000	15,000	0.0%
6245 - Dues, Subscriptions, and Memberships	1,710	3,000	3,000	3,000	3,000	3,000	0.0%
6250 - Video Production	88,920	195,000	195,000	195,000	195,000	130,000	-33.3%
6251 - Website	104,909	406,900	406,900	437,900	437,900	302,300	-31.0%
6252 - Displays	5,239	10,000	10,000	10,000	10,000	165,500	1555.0%
6253 - Electronic Media Production	160,180	90,000	90,000	32,017	32,017	75,000	134.3%
6360 - Supplies & Equipment- Office Supplies	236	2,000	2,000	2,000	2,000	7,300	265.0%
6375 - Events and Conferences	222,486	347,500	337,500	737,500	737,500	866,310	17.5%
6376 - Sponsorships	385,005	377,305	402,305	402,305	402,305	370,650	-7.9%
6377 - Business Meals	955	400	400	400	400	250	-37.5%
6380 - Travel- Lodging	9,825	10,000	10,000	10,000	10,000	26,100	161.0%
6390 - Travel - Meals	3,214	4,000	4,000	4,000	4,000	5,000	25.0%
6410 - Travel - Other	351	500	500	500	500	500	0.0%
6430 - Travel - Transportation	11,256	8,000	8,000	8,000	8,000	15,000	87.5%
Total Operating and General	3,075,629	3,885,528	3,900,528	5,100,528	5,100,528	8,282,810	62.4%
Capital							
7000 - Computer Software	115,900	-	-	-	-	-	0.0%
7001 - Computer Software - WIP	134,157	-	-	-	-	-	0.0%
Total Capital	250,057	-	-	-	-	-	0.0%
Total Expenditures	\$ 4,056,969	\$ 4,700,454	\$ 4,727,525	\$ 5,927,525	\$ 5,927,525	\$ 9,136,287	54.1%
Total Appropriation	\$ 4,056,969	\$ 4,700,454	\$ 4,727,525	\$ 5,927,525	\$ 5,927,525	\$ 9,136,287	54.1%





# PUBLIC POLICY



# PUBLIC POLICY

## GOALS

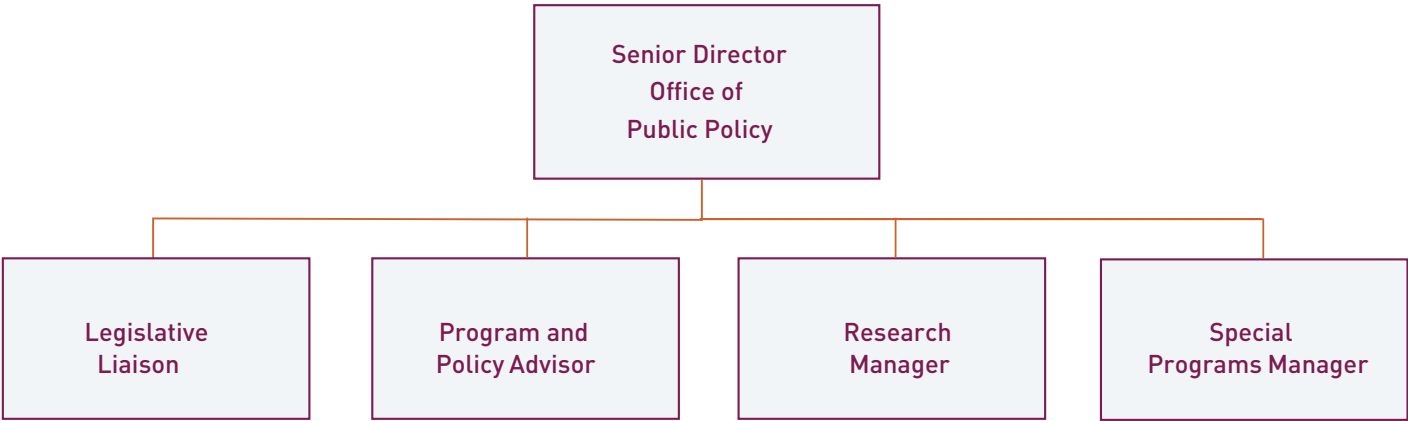
The Office of Public Policy has three goals:

- Develop and advocate for policies and programs to achieve WEDC’s mission and align with strategic pillars.
- Provide timely and relevant policy and market research, trend analyses and oversight to support WEDC program and policy design and implementation.
- Initiate and maintain strong relationships with key stakeholders and government officials to advance WEDC strategies and address constituent issues.

## ADMINISTRATIVE OVERSIGHT

As a key advisor to WEDC leadership, the Office of Public Policy develops and manages public policy and government relations programs; coordinates WEDC’s research and analyses tools and provides economic modeling services; advises on intergovernmental affairs and policy initiatives; oversees development and implementation of annual operations planning; assists leadership with strategic planning; assists in coordinating external outreach and communications to Governor, Board, stakeholders and government officials. The Office of Public Policy also seeks and manages external grant opportunities and manages cross-organizational special projects.

## STAFFING



**Senior Director** – Reports to the CEO. Develops, manages and directs public policy program development and government relations strategies programs.

**Legislative Liaison** – Provides government relations services to policymakers, state agencies and stakeholders; prepares external communications to Governor, and Board, and Legislature.

**Program and Policy Advisor** – Tracks legislation, provides legislative fiscal analysis and program guidance and oversees development of program guidelines. Conducts research and develops policy on economic development, industry, and business trends, analyzes trends and key issues.

**Research Manager** – Conducts research on economic development, industry, and business trends; analyzes key issues, trends, and reports; as well as provides coordination, support and training to users with various resources.

**Special Programs Manager** – Oversees the tracking, procurement, and management of federal and other external grant opportunities. Serves as the point person for external users and stakeholders to the Salesforce InForce Network.

## KEY STRATEGIC INITIATIVES

- Develop biennial budget initiatives and oversee process.
- Develop and implement legislative outreach and engagement strategy.
- Grow federal grant opportunity ombudsman role.
- Integrate WEDC-wide research support services.

## BUDGET NOTES

- 5400 – Extended Enterprise includes research tools and services previously budgeted in the Business Investment Attractions Division
- 6057 – Research & Marketing Tools includes companywide research tools previously budgeted in the Business and Investment Attraction division

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Office of Public Policy - 8000

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4014 - Federal - DOD Grant	\$ 6,697	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	2,571	-	-	-	-	-	0.0%
Total	9,268	-	-	-	-	-	0.0%
<b>Expenditures</b>							
Program Grants							
6795 - Strategic Initiatives Fund	-	250,000	-	-	-	-	0.0%
Total Program Grants	-	250,000	-	-	-	-	0.0%
Payroll and Benefits							
6000 - Benefits- Health Insurance	64,081	65,582	55,674	55,674	55,674	65,997	18.5%
6010 - Benefits- Life Insurance	370	471	471	471	471	535	13.6%
6015 - Benefits-Retirement	23,543	23,790	23,497	23,497	23,497	24,442	4.0%
6020 - Benefits- Payroll Taxes	26,957	27,639	26,436	26,436	26,436	28,634	8.3%
6021 - Benefits - STD/LTD	-	-	1,790	1,790	1,790	1,790	0.0%
6025 - Benefits Other	138	-	-	-	-	-	0.0%
6026 - Benefits - Commuting Stipend	-	-	2,216	2,216	2,216	2,216	0.0%
6040 - Merit/Incentives	7,675	3,499	3,455	3,455	3,455	3,743	8.3%
6045 - Employee Recruitment	-	-	-	-	-	-	0.0%
6050 - Compensation- Salary	355,989	364,911	345,557	345,557	345,557	374,302	8.3%
6055 - Professional Development	11,679	11,945	11,945	7,000	7,000	7,486	6.9%
Total Payroll and Benefits	490,432	497,837	471,041	466,096	466,096	509,145	9.2%
Operating and General							
5400 - Extended Enterprise	-	-	-	-	-	98,000	100.0%
6057 - Research & Marketing Tools	-	-	-	-	-	273,800	100.0%
6120 - Office Expense- Other	3,082	3,000	3,000	4,000	4,000	4,000	0.0%
6200 - Professional Fees- Consulting Fees	-	1,500	1,500	1,500	1,500	-	-100.0%
6245 - Dues, Subscriptions, and Memberships	809	550	550	2,000	2,000	2,000	0.0%
6375 - Events and Conferences	200	-	-	-	-	-	0.0%
6377 - Business Meals	346	200	200	200	200	200	0.0%
6380 - Travel- Lodging	6,080	9,800	9,800	4,000	4,000	8,000	100.0%
6390 - Travel - Meals	2,053	3,300	3,300	1,500	1,500	2,300	53.3%
6410 - Travel - Other	-	-	-	-	-	-	0.0%
6430 - Travel - Transportation	10,090	8,150	8,150	4,000	4,000	4,500	12.5%
Total Operating and General	22,660	26,500	26,500	17,200	17,200	392,800	2183.7%
Total Expenditures	\$ 513,092	\$ 774,337	\$ 497,541	\$ 483,296	\$ 483,296	\$ 901,945	2193.0%
<b>Total Appropriation</b>	<b>\$ 513,092</b>	<b>\$ 774,337</b>	<b>\$ 497,541</b>	<b>\$ 483,296</b>	<b>\$ 483,296</b>	<b>\$ 901,945</b>	<b>86.6%</b>



# CREDIT AND RISK



# CREDIT AND RISK

## GOALS

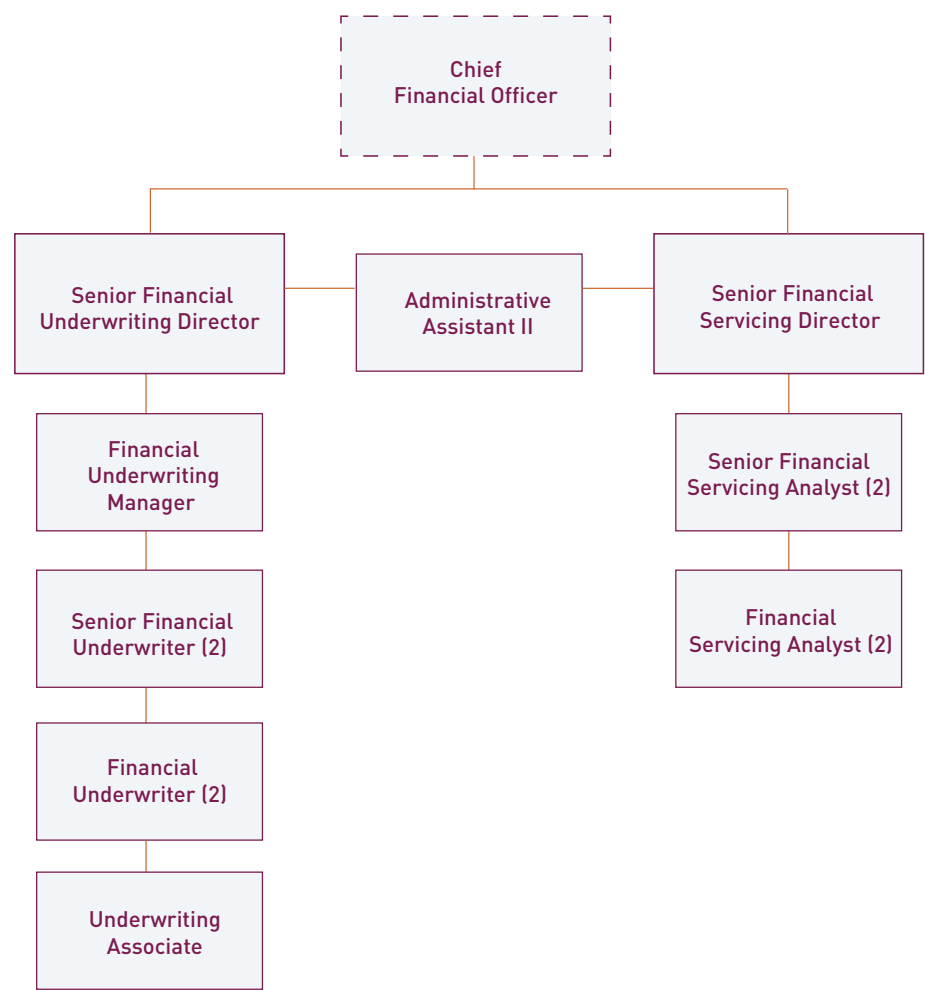
The Credit and Risk Division has four goals:

- Underwrite and service award projects to ensure they are granted on a sound and reasonable basis. Monitor payment and reporting compliance during the time in which they are active or outstanding.
- Underwrite and service award projects within the committed timeframe, and communicate delays in a timely fashion to WEDC Regional Directors and other WEDC staff as needed.
- Provide expert and timely technical assistance to WEDC Regional Directors and other WEDC staff on program policies and performance metrics.
- Monitor the performance and risk of the award portfolio.

## ADMINISTRATIVE OVERSIGHT

The Credit and Risk division is primarily responsible for the underwriting and servicing of financial awards. The division analyzes applications for financial assistance, taking into account qualifications outlined in the statutes and program guidelines, as well as the projects’ overall economic impact and financial risk, and makes recommendations for financial assistance to management. The division also monitors the award portfolio for performance and risk through the life of the award; underwrites amendment requests; and processes disbursements, award closeouts, and tax credit verifications.

## STAFFING



**Senior Financial Underwriting Director** – Reports to the CFO. Manages and oversees the award underwriting activities and responsibilities of the Credit and Risk Division.

**Financial Underwriting Manager** – Acts as a contact expert for all current programs offered by WEDC. Helps train new employees and cross-train current employees in the department. Provides analysis and review of award underwriting processes, process improvement initiatives, and new program implementations.

**Senior Financial Underwriter** – Acts as the content expert within credit and risk for underwriting the programs in which they are assigned, and serves as the primary contact for stakeholders, staff and customers on issues related to the programs. The Senior Financial Underwriter is also responsible for ongoing improvement of program execution including making policy recommendations if appropriate.

**Financial Underwriter** – Provides project management support to deliver projects within the established budget and timeline. Participates in project underwriting. Disseminates project information and is an active participant in project-related work groups and committees.

**Underwriting Associate** – Provides support to the team members by processing background checks on awardees, assisting with special projects, staff reviews, amendments and other activities that are the responsibility of the division.

**Senior Financial Servicing Director** – Reports to the CFO. Manages and oversees the award servicing activities and responsibilities of the Credit and Risk Division.

**Senior Financial Servicing Analyst** – Manages the credit and risk servicing functions related to WEDC's tax credit portfolio, and the cash disbursements and award closeout processes of WEDC's entire award portfolio.

**Financial Servicing Analyst** – Reviews and processes annual tax credit verifications, cash disbursements, and award closeouts of WEDC's award portfolios.

**Administrative Assistant II** – Provides support to both the underwriting and servicing teams, including assisting with special projects, overseeing underwriting (URG) and management review (MRC) committee agendas and support materials, as well as award underwriting and servicing pipeline reporting.

## KEY STRATEGIC INITIATIVES

- Complete the reorganization of the Credit and Risk Division, which created two teams within the division at the end of FY18. The division's responsibilities have been segregated by award underwriting responsibilities (i.e. the front-end) and the award servicing responsibilities (i.e. the back-end).
- Improve on established underwriting and servicing guidelines, procedures, and work instructions to provide additional consistency in the underwriting and servicing processes.

## BUDGET NOTES

- 6000 - 6055 - Payroll and benefits includes one new FTE position for FY19, Financial Servicing Analyst
- 6000 - 6055 - Payroll and benefits includes new Senior Director of Financial Servicing position for FY18 who started in May 2018



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Credit and Risk - 6600

Account No. and Name		FY18	FY18	FY18	FY18	FY19	New Funds
	FY17	Budget	Budget Amend	Budget Amend	Budget Amend	Budget	
	Actual	Original	February	April	June	New Funds	% Chg FY19
Revenues							
4042 - Revenue-SEP Admin	\$ 36,541	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 24,000	-36.8%
4150 - Bond Servicing Fees	53,772	60,000	60,000	60,000	60,000	60,000	0.0%
Total	90,313	98,000	98,000	98,000	98,000	84,000	-14.3%
Expenditures							
Payroll and Benefits							
6000 - Benefits- Health Insurance	98,628	87,417	97,262	97,262	97,262	127,987	31.6%
6010 - Benefits- Life Insurance	450	684	655	655	655	858	31.0%
6015 - Benefits-Retirement	42,420	52,320	49,076	49,076	49,076	59,796	21.8%
6020 - Benefits- Payroll Taxes	48,450	62,361	55,212	55,212	55,212	67,603	22.4%
6021 - Benefits - STD/LTD	-	-	3,387	3,387	3,387	4,269	26.0%
6023 - Benefits -HSA	2,250	1,558	750	750	750	750	0.0%
6025 - Benefits Other	151	-	-	-	-	-	0.0%
6026 - Benefits - Commuting Stipend	-	-	6,094	6,094	6,094	7,202	18.2%
6040 - Merit/Incentives	7,475	6,751	7,218	7,218	7,218	8,838	22.4%
6050 - Compensation- Salary	650,782	823,327	721,719	721,719	721,719	883,692	22.4%
6055 - Professional Development	6,940	15,000	15,000	15,000	15,000	17,674	17.8%
Total Payroll and Benefits	857,546	1,049,418	956,373	956,373	956,373	1,178,669	23.2%
Operating and General							
6120 - Office Expense- Other	5,432	5,000	5,000	5,000	5,000	5,000	0.0%
6220 - Professional Fees- Other Services	-	750	750	750	750	750	0.0%
6245 - Dues, Subscriptions, and Memberships	185	1,000	1,000	1,000	1,000	1,000	0.0%
6360 - Supplies & Equipment- Office Supplies	-	500	500	500	500	500	0.0%
6375 - Events and Conferences	-	-	-	-	-	500	100.0%
6377 - Business Meals	-	300	300	300	300	500	66.7%
6380 - Travel- Lodging	2,700	5,000	5,000	5,000	5,000	4,500	-10.0%
6390 - Travel - Meals	1,663	2,200	2,200	2,200	2,200	1,750	-20.5%
6430 - Travel - Transportation	2,569	3,000	3,000	3,000	3,000	2,500	-16.7%
Total Operating and General	12,549	17,750	17,750	17,750	17,750	17,000	-4.2%
Total Expenditures	\$ 870,095	\$ 1,067,168	\$ 974,123	\$ 974,123	\$ 974,123	\$ 1,195,669	22.7%
Total Appropriation	\$ 870,095	\$ 1,067,168	\$ 974,123	\$ 974,123	\$ 974,123	\$ 1,195,669	22.7%

# LEGAL AND COMPLIANCE



# LEGAL AND COMPLIANCE

## GOALS

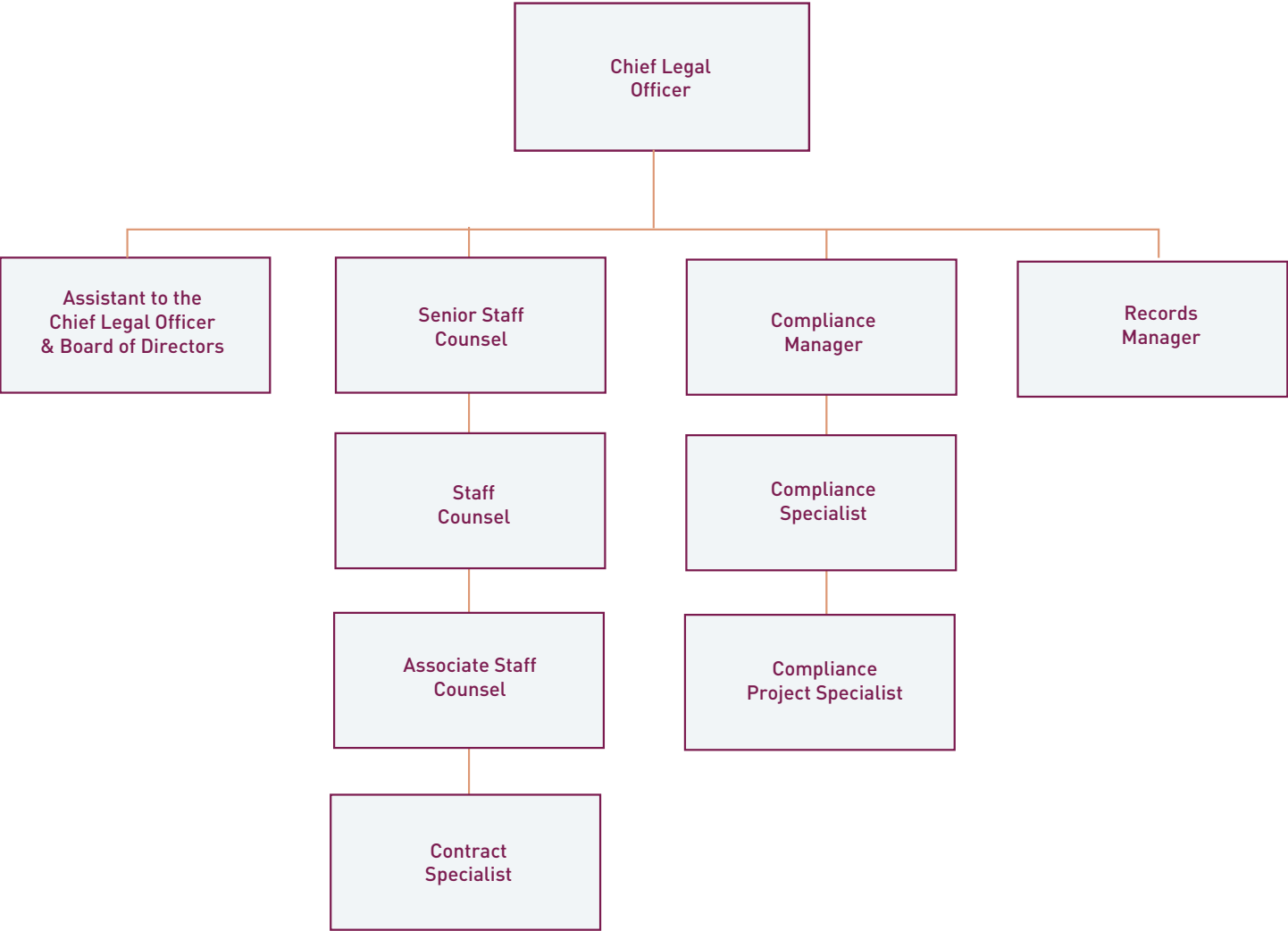
The Legal and Compliance Division has three goals:

- Ensure WEDC adheres to the laws, regulations, and policies that govern the organization.
- Provide valuable, timely legal counsel.
- Effectively manage contracting and record management services for the organization.

## ADMINISTRATIVE OVERSIGHT

The Legal and Compliance division supports WEDC to achieve its operational and programmatic goals and obligations driven by WEDC’s mission and strategic pillars. This support is provided through counseling and analysis relating to economic development programs; assisting other divisions on legal, records, and compliance related matters; providing contracting services for the entire organization; and supporting the Board and management in strategic and operational planning for WEDC. The Legal and Compliance Team manages an internal monitoring program that tests compliance with WEDC’s systems, policies and procedures; develops corrective actions; and assesses areas of risk. The team also oversees conflicts of interests, facilitates the timely production of external reports, and oversees WEDC’s records management and retention program.

## STAFFING



**Chief Legal Officer** – Reports to the CEO. Responsible for overall direction and management of the division and will assure execution of the divisional operations plan.

**Assistant to the Chief Legal Officer and Board of Directors**– Manages communications with the Board of Directors and coordinates meetings of the Board and its committees. Performs a wide variety of tasks as an assistant for the Chief Legal Officer as well as the team as a whole.

**Senior Staff Counsel** – Provides legal counsel on matters covering every step of an economic development assistance (from program development to contract negotiations to closing out awards) and vendor agreements. This position oversees the Staff Counsel, Associate Staff Counsel, and Contract Specialist.

**Staff Counsel** – Reviews contracts, conducts research, and prepares analyses on legal matters; reviews pending awards for compliance with statutory and policy requirements. The Staff Counsel also handles public records requests, including compiling records, reviewing them, and responding to requestors.

**Associate Staff Counsel** – Provides legal counsel to WEDC’s programmatic and operating divisions under the direct supervision of the Senior Staff Counsel. The Associate Staff Counsel conducts a variety of functions such as contract administration, security filings, legal research, and open records requests.

**Contract Specialist** –Responsible for the coordination, drafting, reviewing, and finalizing of all project-related contracts, amendments and other related WEDC assistance documents. This position also manages, conducts, and tracks security filings, including UCCs and mortgages.

**Compliance Manager**– Responsible for leading WEDC’s compliance efforts that ensure WEDC’s compliance with the policies, laws, and procedures governing WEDC, including management and oversight of external programmatic audits, tracking and collection of required external reporting, management of internal monitoring, and special project management.

**Compliance Project Specialist**– Responsible for planning, developing, implementing and evaluating programs and projects, coordinating project activities, collaborating with project team members, developing measurable project goals and objectives, and monitoring progress toward achievement.

**Compliance Specialist** – Provides training on issues related to ethics, conflicts of interest, and items of value, as well as performs internal monitoring.

**Records Manager** – Responsible for developing and implementing a records management and retention system.

## KEY STRATEGIC INITIATIVES

- Continue to develop and implement a record management and retention system that comprehensively addresses paper and electronic documents.
- Complete cross-divisional review of WEDC policies and procedures to ensure alignment with organizational objectives as well as consistent communication and application throughout the organization.
- Enhance the economic development activities of WEDC through a detailed review of the awards contract templates to ensure consistency with statutory and programmatic objectives.

## BUDGET NOTES

- 6210 – Professional Fees – Legal decreased due to the one-time outside counsel fees associated with the Foxconn contract in FY18

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Legal Services - 1100

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4042 - Revenue-SEP Admin	\$ (1,594)	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	1,873	200	200	3,298	3,298	-	-100.0%
Total	279	200	200	3,298	3,298	-	-100.0%
<b>Expenditures</b>							
Payroll and Benefits							
6000 - Benefits- Health Insurance	90,420	117,548	106,139	106,139	106,139	94,976	-10.5%
6010 - Benefits- Life Insurance	72	85	87	87	87	96	10.3%
6015 - Benefits-Retirement	41,913	46,293	49,873	49,873	49,873	47,884	-4.0%
6020 - Benefits- Payroll Taxes	48,547	58,796	56,107	56,107	56,107	57,681	2.8%
6021 - Benefits - STD/LTD	-	-	3,390	3,390	3,390	3,485	2.8%
6023 - Benefits -HSA	404	1,558	2,135	2,135	2,135	750	-64.9%
6025 - Benefits Other	10,000	-	-	-	-	-	0.0%
6026 - Benefits - Commuting Stipend	-	-	4,986	4,986	4,986	5,540	11.1%
6040 - Merit/Incentives	4,365	6,309	7,334	7,334	7,334	7,076	-3.5%
6050 - Compensation- Salary	681,417	776,264	733,415	733,415	733,415	753,998	2.8%
6055 - Professional Development	10,341	18,950	18,950	11,000	11,000	15,080	37.1%
Total Payroll and Benefits	887,479	1,025,803	982,416	974,466	974,466	986,566	1.2%
Operating and General							
6120 - Office Expense- Other	4,522	2,080	2,080	6,000	6,000	6,000	0.0%
6210 - Professional Fees- Legal	95,927	85,000	245,000	255,000	255,000	100,000	-60.8%
6245 - Dues, Subscriptions, and Memberships	6,838	6,535	6,535	5,500	5,500	7,000	27.3%
6360 - Supplies & Equipment- Office Supplies	1,080	1,000	1,000	500	500	500	0.0%
6375 - Events and Conferences	300	150	150	1,500	1,500	500	-66.7%
6377 - Business Meals	1,072	3,100	3,100	2,000	2,000	1,500	-25.0%
6380 - Travel- Lodging	3,097	6,000	6,000	4,000	4,000	5,000	25.0%
6390 - Travel - Meals	594	2,000	2,000	400	400	500	25.0%
6410 - Travel - Other	-	-	-	25	25	-	-100.0%
6430 - Travel - Transportation	1,750	5,000	5,000	4,000	4,000	4,000	0.0%
Total Operating and General	115,180	110,865	270,865	278,925	278,925	125,000	-55.2%
Total Expenditures	\$ 1,002,659	\$ 1,136,668	\$ 1,253,281	\$ 1,253,391	\$ 1,253,391	\$ 1,111,566	-11.3%
Total Appropriation	\$ 1,002,659	\$ 1,136,668	\$ 1,253,281	\$ 1,253,391	\$ 1,253,391	\$ 1,111,566	-11.3%



# FINANCE



# FINANCE

## GOALS

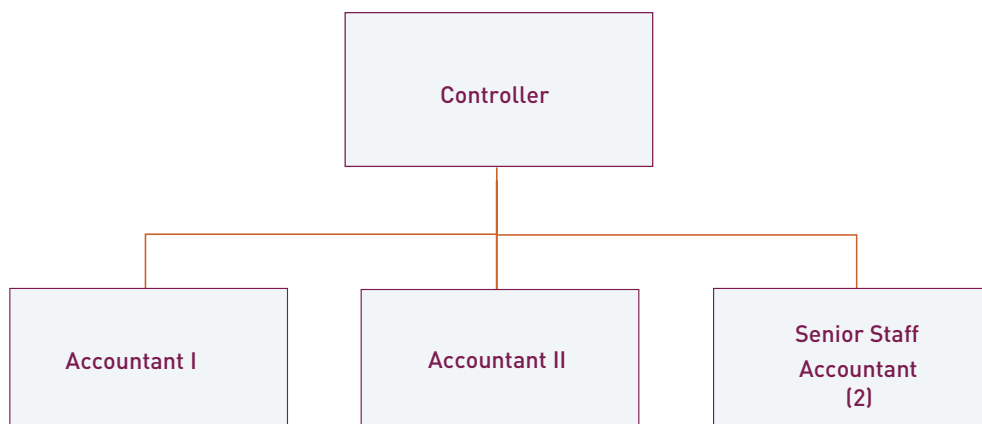
### The Finance Division has three goals:

- Through accurate financial reporting, maintain the financial integrity of WEDC.
- Through timely reporting and communication, provide good customer service to meet both internal and external stakeholder needs.
- Ensure the financial processes of the organization, including procurement, travel, disbursements, and investments are being applied consistently and carried out according to approved policy and procedures.

## ADMINISTRATIVE OVERSIGHT

The Finance division is responsible for maintaining the financial records of WEDC, in accordance with GAAP and GASB standards. In addition, the division is entrusted with maintaining and monitoring the internal control environment of WEDC, which includes the maintenance and enforcement of the financial policies and procedures of WEDC.

## STAFFING



**Controller** – Reports to the CFO. Responsible to plan, direct and manage the day to day operations of the finance division. The Controller has primary responsibility for ensuring regular periodic financial reporting and organizational compliance with internal control policies as they relate to financial matters.

**Staff Accountant I** – Reviews, maintains and controls financial records related to expenditures and receipts. Administrative functions include but are not limited to vendor management, accounts payable entry, processing disbursements, and employee reimbursements.

**Staff Accountant II** – Reviews, maintains, analyzes and controls accounts receivable and billing, bank account reconciliations, capital assets and procurement process. The position requires understanding of generally accepted accounting principles (GAAP), and reconciliations necessary to ensure proper accounting for assigned divisions or departments.

**Senior Staff Accountant** – Reviews, maintains, analyzes and controls financial records related to State grant and/or loan programs, staff credit cards, control financial records related to Federal grant programs and payroll financials transactions. The positions require a deeper understanding of GAAP, Federal reimbursement regulations, payroll expenses and liabilities, proper recording and reporting of financial activities.

## KEY STRATEGIC INITIATIVES

- Provide cross-training for accounting staff, to insure all month-end closing functions have at least one back-up staff member who can provide support.
- Automate monthly and quarterly financial reports.

## BUDGET NOTES

- 6070 – Financial Fees – Bank Service Charges eliminated due to new negotiation with US Bank
- 6200 – Professional Fees – Consulting Fees includes WEDC’s biennial LAB audit fee
- 7040 - Capital Expenditures includes the replacement of two fleet vehicles
- 8002 – 8003 - Pension Bond Interest and Principal – FY18 included a nonrecurring balloon payment

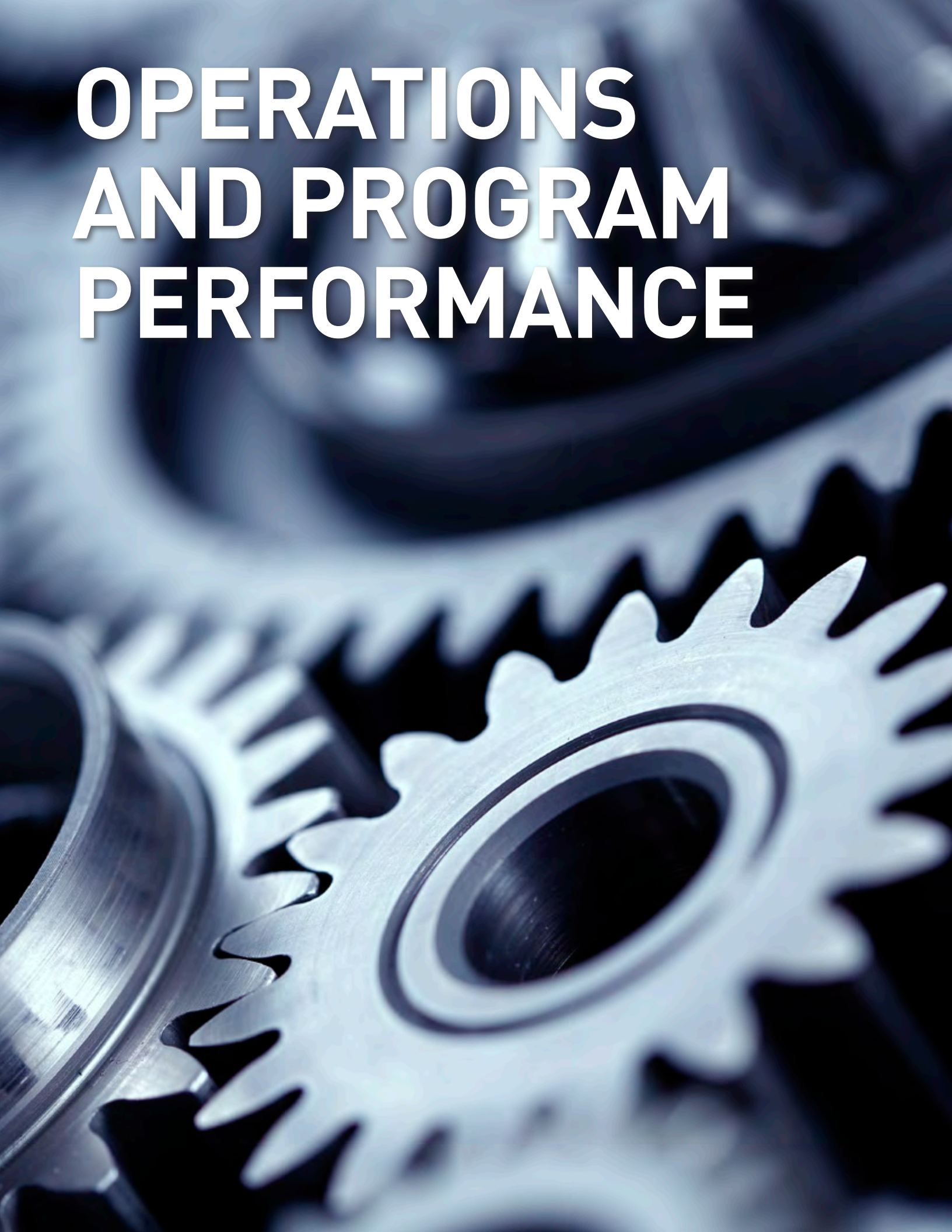


**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**Detailed Budget Worksheet**

Finance - 6200

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4042 - Revenue-SEP Admin	\$ -	\$ -	\$ -	\$ 625	\$ 625	\$ 1,800	188.0%
4160 - Revenue-Investment Income (Realized)	156,972	425,000	425,000	425,000	425,000	905,000	112.9%
4170 - Revenue-Other Income	13,559	10,000	10,000	10,000	10,000	20,000	100.0%
Total	170,531	435,000	435,000	435,625	435,625	926,800	112.8%
<b>Expenditures</b>							
Payroll and Benefits							
6000 - Benefits- Health Insurance	72,975	78,000	45,580	45,580	45,580	70,468	54.6%
6010 - Benefits- Life Insurance	86	99	75	75	75	178	137.3%
6015 - Benefits-Retirement	19,763	20,372	19,771	19,771	19,771	22,634	14.5%
6020 - Benefits- Payroll Taxes	22,346	22,918	22,243	22,243	22,243	25,588	15.0%
6021 - Benefits - STD/LTD	-	-	1,060	1,060	1,060	1,657	56.3%
6023 - Benefits -HSA	1,558	1,558	-	-	-	-	0.0%
6025 - Benefits Other	(2)	-	-	-	-	-	0.0%
6026 - Benefits - Commuting Stipend	-	-	1,662	1,662	1,662	2,770	66.7%
6040 - Merit/Incentives	1,230	2,996	2,907	2,907	2,907	3,345	15.1%
6050 - Compensation- Salary	295,986	302,581	290,753	290,753	290,753	334,483	15.0%
6055 - Professional Development	3,240	10,485	10,485	10,485	10,485	6,690	-36.2%
Total Payroll and Benefits	417,182	439,009	394,536	394,536	394,536	467,813	18.6%
Operating and General							
6070 - Financial Fees- Bank Service Charges	10,788	13,200	13,200	10,000	10,000	-	-100.0%
6120 - Office Expense- Other	5,761	9,768	9,768	8,900	8,900	10,000	12.4%
6200 - Professional Fees- Consulting Fees	187,375	94,000	114,000	114,000	114,000	210,000	84.2%
6245 - Dues, Subscriptions, and Memberships	110	1,000	1,000	1,000	1,000	1,000	0.0%
6310 - Repairs & Maintenance- Automobiles	2,577	7,000	7,000	4,000	4,000	5,000	25.0%
6360 - Supplies & Equipment- Office Supplies	204	1,000	1,000	1,000	1,000	1,000	0.0%
6375 - Events and Conferences	180	500	500	500	500	1,000	100.0%
6377 - Business Meals	-	200	200	200	200	500	150.0%
6380 - Travel- Lodging	1,315	3,000	3,000	3,000	3,000	3,000	0.0%
6390 - Travel - Meals	188	800	800	800	800	800	0.0%
6430 - Travel - Transportation	3,628	4,800	4,800	4,800	4,800	4,800	0.0%
Total Operating and General	212,126	135,268	155,268	148,200	148,200	237,100	60.0%
Capital							
7040 - Vehicles	38,791	40,000	40,000	47,050	47,050	40,000	-15.0%
Total Capital	38,791	40,000	40,000	47,050	47,050	40,000	-15.0%
Debt Service							
8002 - Pension bonds principal	81,424	760,000	760,000	760,000	760,000	80,000	-89.5%
8003 - Pension bonds interest	121,250	90,000	90,000	90,000	90,000	130,000	44.4%
Total Debt Service	202,674	850,000	850,000	850,000	850,000	210,000	-75.3%
Total Expenditures	\$ 870,773	\$ 1,464,277	\$ 1,439,804	\$ 1,439,786	\$ 1,439,786	\$ 954,913	-33.7%
<b>Total Appropriation</b>	<b>\$ 870,773</b>	<b>\$ 1,464,277</b>	<b>\$ 1,439,804</b>	<b>\$ 1,439,786</b>	<b>\$ 1,439,786</b>	<b>\$ 954,913</b>	<b>-33.7%</b>

# **OPERATIONS AND PROGRAM PERFORMANCE**



# OPERATIONS AND PROGRAM PERFORMANCE

## GOALS

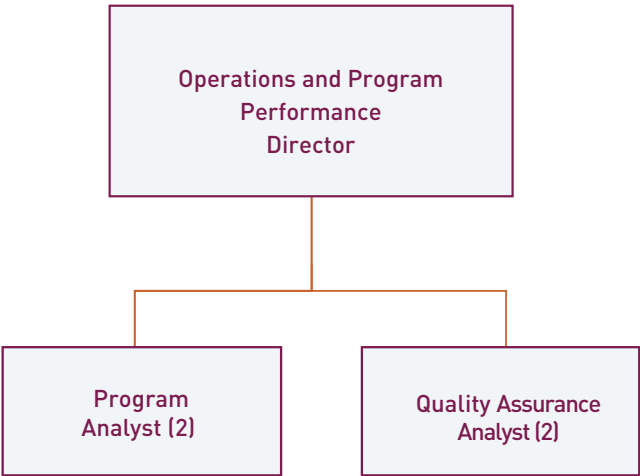
The Operations and Program Performance Division has three goals:

- Reach and maintain high levels of awards administration data quality.
- Facilitate program administration in an efficient and customer-oriented manner.
- Align data and reporting requirements with the strategic and operational needs of WEDC.

## ADMINISTRATIVE OVERSIGHT

The Operations and Program Performance division is responsible for the monitoring and oversight of system data generated from the awards administration process. This department will monitor and communicate the status of our data, in the aggregate as well as data field reconciliations, and will report findings and results to management, both implementing the appropriate controls within department and recommending controls external to the department. This department will also have subject matter experts on program and award administration. Staff will be an internal resource to ensure consistency among divisions and ensure consistent administration of awards.

## STAFFING



**Director** – Reports to the CEO. Oversees performance reporting compliance and manages collections; responsible for evaluating and managing process risk and program evaluation.

**Quality Assurance Analyst** – Performs quality assurance, quality control, inspection and audit of existing documentation and processes to reach a high level of accuracy within the critically defined data set. Assists in redefining and documenting processes, performs staff training, creates training documentation and tracks results.

**Program Analyst** – Manages collections on performance reports, SOEs and loans. Ensures appropriate follow-up to safeguard completed data on performance reports and certifies the system is consistent with results. Maintains forms and reports— specifically, performance reports and collections reporting. Assists with program guideline development and alignment with organizational process.

## KEY STRATEGIC INITIATIVES

- Program Evaluation: Jobs Tax Credit and International Market Access Grants
- Implementation of continuous improvement marketing plan
- Deliver client award servicing training framework.

## BUDGET NOTES

- 6200 – Professional Fees – Consulting Fees includes funds to provide third party program evaluation assistance

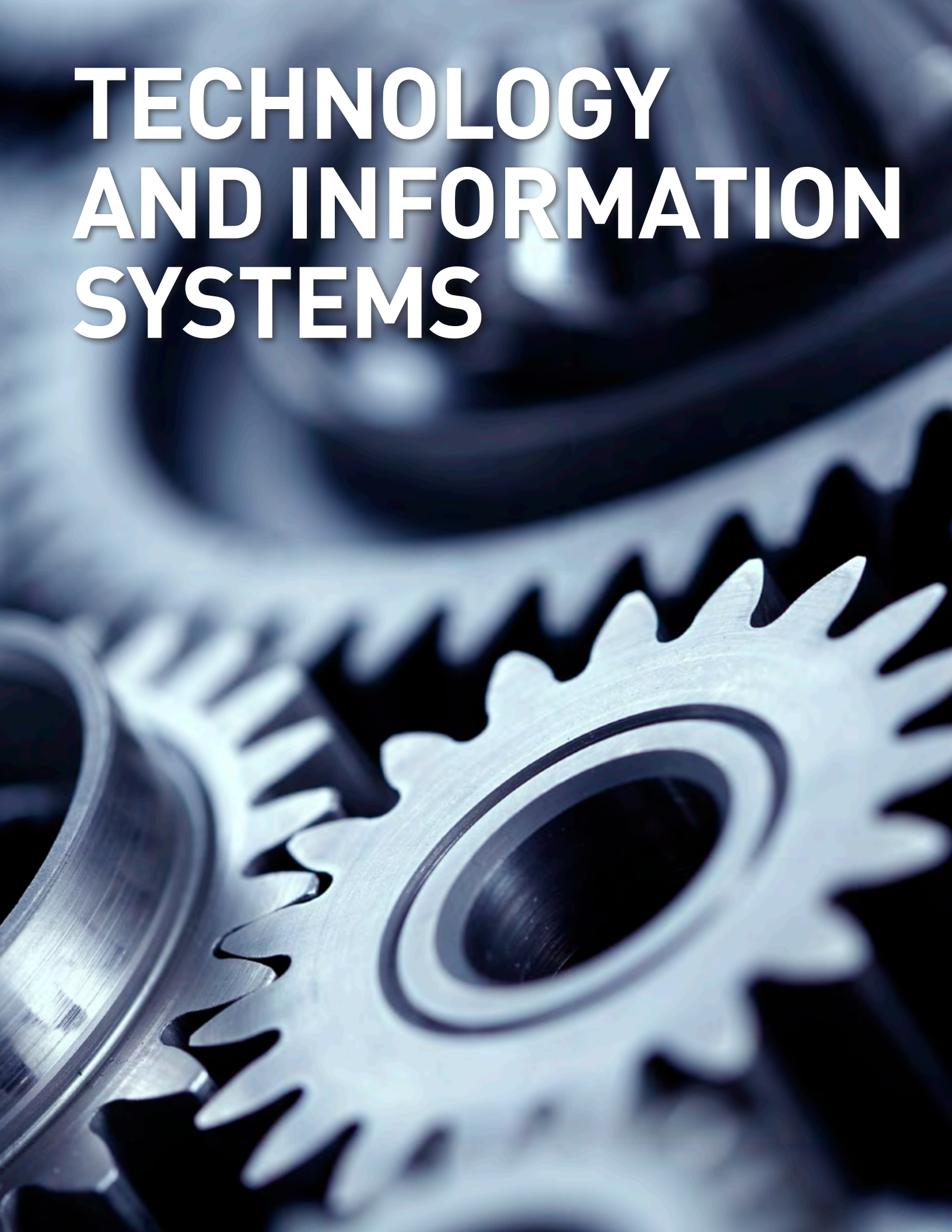
WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Operations & Program Performance - 1300

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Expenditures</b>							
Payroll and Benefits							
6000 - Benefits- Health Insurance	\$ -	\$ 54,371	\$ 40,515	\$ 40,515	\$ 40,515	\$ 17,497	-56.8%
6010 - Benefits- Life Insurance	-	57	57	57	57	54	-5.3%
6015 - Benefits-Retirement	-	18,089	22,567	22,567	22,567	18,983	-15.9%
6020 - Benefits- Payroll Taxes	-	20,350	25,390	25,390	25,390	26,166	3.1%
6021 - Benefits - STD/LTD	-	-	1,226	1,226	1,226	1,605	30.9%
6023 - Benefits -HSA	-	779	750	750	750	-	-100.0%
6026 - Benefits - Commuting Stipend	-	-	2,216	2,216	2,216	2,770	25.0%
6040 - Merit/Incentives	-	2,160	3,319	3,319	3,319	2,805	-15.5%
6050 - Compensation- Salary	-	268,671	331,873	331,873	331,873	342,043	3.1%
6055 - Professional Development	-	8,735	8,735	8,735	8,735	6,841	-21.7%
Total Payroll and Benefits	-	373,212	436,648	436,648	436,648	418,764	-4.1%
Operating and General							
6200 - Professional Fees- Consulting Fees	-	25,000	25,000	25,000	25,000	30,000	20.0%
6245 - Dues, Subscriptions, and Memberships	-	1,500	1,500	1,500	1,500	400	-73.3%
6360 - Supplies & Equipment- Office Supplies	-	750	750	750	750	750	0.0%
6377 - Business Meals	-	200	200	200	200	400	100.0%
6380 - Travel- Lodging	-	3,000	3,000	3,000	3,000	3,000	0.0%
6390 - Travel - Meals	-	800	800	800	800	500	-37.5%
6430 - Travel - Transportation	-	3,300	3,300	3,300	3,300	3,000	-9.1%
Total Operating and General	-	34,550	34,550	34,550	34,550	38,050	10.1%
Total Expenditures	\$ -	\$ 407,762	\$ 471,198	\$ 471,198	\$ 471,198	\$ 456,814	-3.1%
Total Appropriation	\$ -	\$ 407,762	\$ 471,198	\$ 471,198	\$ 471,198	\$ 456,814	-3.1%



# TECHNOLOGY AND INFORMATION SYSTEMS



# TECHNOLOGY AND INFORMATION SYSTEMS

## GOALS

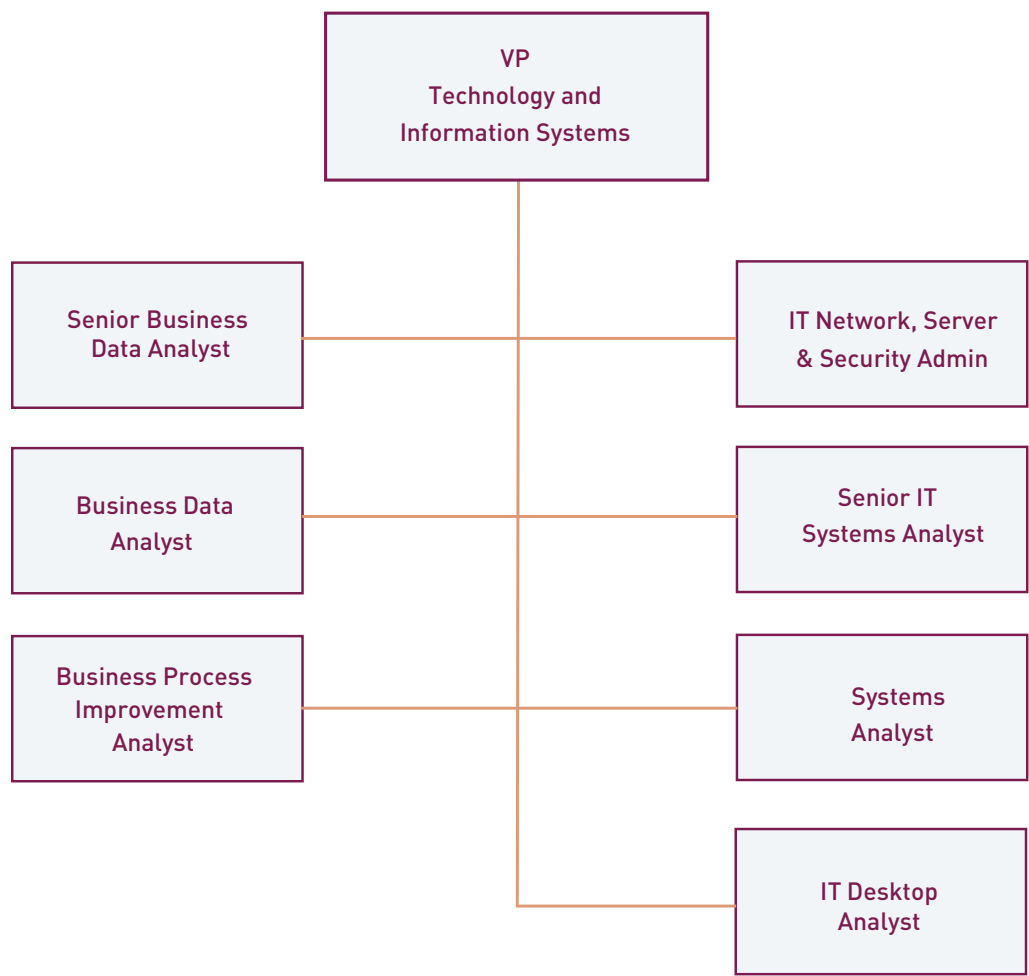
The Technology and Information Systems (IT/IS) Division has three goals:

- Focus on implementing internal controls, process alignment, and integrations to provide data integrity and transparency.
- Continuously improve processes to verify and report on WEDC accomplishments.
- Provide systems and controls to support compliance with the legislature, policy, and WEDC strategic pillars.

## ADMINISTRATIVE OVERSIGHT

The Technology and Information Systems division is tasked with control and development of WEDC’s information systems as well as gathering business requirements and mapping current processes to engineer solutions to mitigate risks, gaps, and maintain data integrity. IT/IS works across the organization to maintain continuity of systems and processes to support compliance with the legislature, policy, and WEDC strategic pillars.

## STAFFING



**Vice President** - Reports to the CFO. Responsible for the overall direction and management of division and will assure execution of the divisional operations plan.

**IT Network, Server, and Security Administrator** - Maintains computing environment by identifying network and server requirements; installing upgrades; monitoring network performance, problem diagnosis, and resolution.

**Senior IT Systems Analyst** - Leads in designing, developing and configuring computer programs, systems, and services across all WEDC systems.

**Systems Analyst** - Participates in designing, developing and configuring computer programs, systems, and services across all WEDC systems.

**IT Desktop Analyst** - Provides first response/call resolution to WEDC employees, partners and customers in the use of WEDC technology solutions.

**Business Data Analyst** - Helps maintain alignment and consistency of data in operational systems. Proactively communicates and collaborates with staff to analyze information needs and functional requirements and translate them into the application and operational requirements.

**Senior Business Data Analyst** - Leads in the analysis and management of WEDC's data to ensure compliance with regulatory and other reporting requirements. Ensure alignment and consistency of data in operational systems. Leads the communication with staff to analyze information needs and functional requirements and translate them into the application and operational requirements.

**Business Process Improvement Analyst** - Collaborates with IT/IS to ensure that the software systems are designed and developed to meet functional requirements, ensuring alignment and consistency of data in operational systems.

## KEY STRATEGIC INITIATIVES

- Continue to ratify key data definitions and business rules through data governance, and centralize the information for organizational consumption.
- Continue to redesign WEDC's data model around a centralized database, rules engine, and workflows.
- Develop and implement award processing systems through a portalized environment to enhance transparency, data integrity, and process improvement.
- Continue to simplify WEDC's document management systems and work with Compliance to design a records management system.

## BUDGET NOTES

- 5400 - Extended Enterprise includes InForce Network Salesforce licenses previously budgeted in Software Services



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Information Technology - 6300

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4014 - Federal - DOD Grant	\$ 2,278	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Total	2,278	-	-	-	-	-	0.0%
<b>Expenditures</b>							
Payroll and Benefits							
6000 - Benefits- Health Insurance	67,884	81,611	55,443	55,443	55,443	56,945	2.7%
6010 - Benefits- Life Insurance	264	287	267	267	267	344	28.8%
6015 - Benefits-Retirement	33,507	40,202	37,110	37,110	37,110	38,674	4.2%
6020 - Benefits- Payroll Taxes	38,263	46,102	41,749	41,749	41,749	44,572	6.8%
6021 - Benefits - STD/LTD	-	-	2,305	2,305	2,305	2,605	13.0%
6026 - Benefits - Commuting Stipend	-	-	3,878	3,878	3,878	4,432	14.3%
6040 - Merit/Incentives	1,090	4,315	5,458	5,458	5,458	5,826	6.7%
6050 - Compensation- Salary	520,822	608,666	545,742	545,742	545,742	582,621	6.8%
6055 - Professional Development	20,784	20,919	20,919	20,919	20,919	11,652	-44.3%
Total Payroll and Benefits	682,614	802,102	712,871	712,871	712,871	747,671	4.9%
Operating and General							
5400 - Extended Enterprise	-	-	-	-	-	30,000	100.0%
6120 - Office Expense- Other	38,760	64,746	64,746	64,746	64,746	64,746	0.0%
6200 - Professional Fees- Consulting Fees	159,134	300,000	300,000	300,000	300,000	250,000	-16.7%
6260 - Software Services	825,237	955,203	955,203	955,203	955,203	944,437	-1.1%
6290 - Repairs & Maintenance- Office Equipment	9,544	19,325	19,325	19,325	19,325	19,325	0.0%
6320 - Supplies & Equipment- Computer Supplies	230,204	110,000	110,000	110,000	110,000	150,000	36.4%
6330 - Supplies & Equipment- Equipment Rental	32,563	37,500	37,500	37,500	37,500	24,000	-36.0%
6377 - Business Meals	200	200	200	200	200	500	150.0%
6380 - Travel- Lodging	7,710	7,800	7,800	7,800	7,800	7,800	0.0%
6390 - Travel - Meals	1,512	2,000	2,000	2,000	2,000	2,000	0.0%
6430 - Travel - Transportation	3,437	5,000	5,000	5,000	5,000	5,000	0.0%
Total Operating and General	1,308,301	1,501,774	1,501,774	1,501,774	1,501,774	1,497,808	-0.3%
Total Expenditures	\$ 1,990,915	\$ 2,303,876	\$ 2,214,645	\$ 2,214,645	\$ 2,214,645	\$ 2,245,479	1.4%
<b>Total Appropriation</b>	<b>\$ 1,990,915</b>	<b>\$ 2,303,876</b>	<b>\$ 2,214,645</b>	<b>\$ 2,214,645</b>	<b>\$ 2,214,645</b>	<b>\$ 2,245,479</b>	<b>1.4%</b>

# HUMAN RESOURCES



# HUMAN RESOURCES

## GOALS

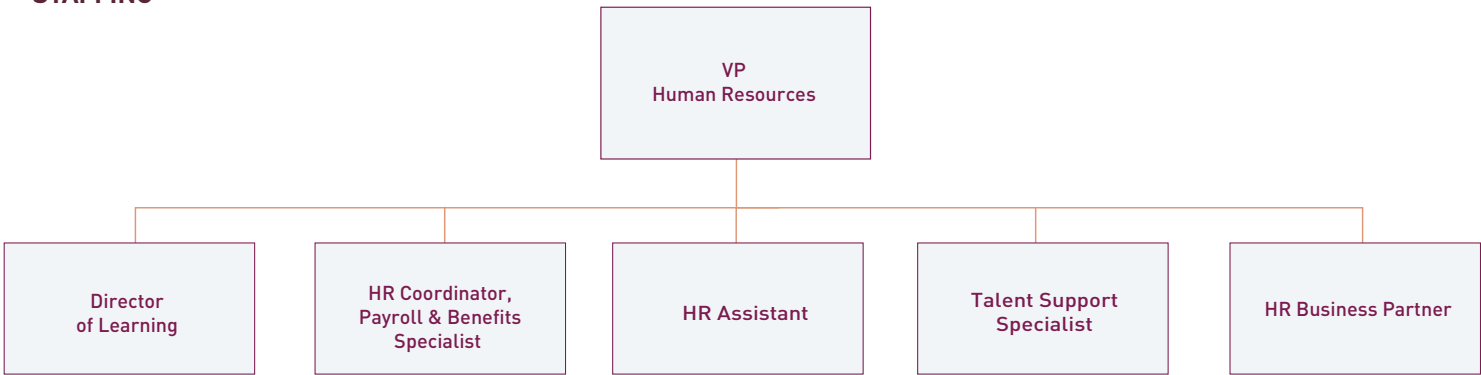
The Human Resources (HR) Division has three goals:

- Position WEDC as an Employer of Choice by creating an environment where all people feel challenged, valued, supported, and recognized.
- Deliver a clear learning strategy that provides both internal and external opportunities for career and professional growth.
- Build trust-based relationship with employees and leaders to be able to anticipate and exceed the changing needs of the organization and team.

## ADMINISTRATIVE OVERSIGHT

The Human Resources division develops and delivers innovative human resource programs and services designed to support WEDC’s mission in partnership with WEDC’s Leadership team. The division’s core services and competencies include acting as a business partner to leadership on all people-related activities; acquiring, engaging and retaining talent by standing out as an employer of choice; assisting with employee relations; organizational and employee development and training; risk management; compensation and benefits; payroll; HR information management; and regulatory compliance related to personnel management.

## STAFFING



- Vice President** – Reports to the CEO. Responsible for overall direction and leadership of the division and will assume execution of the divisional operations plan.
- Human Resources Business Partner** – Builds strong relationships across the organization to serve as a partner, coach, and resource to leaders and employees. Responsible for overseeing recruitment, assistance with employee leave and FMLA administration, and human resources related projects. Also assists in managing facilities needs in partnership with the VP of HR.
- HR Coordinator, Payroll and Benefits Specialist** – Assists with all core HR activities, manages benefits administration and bi-weekly payroll processing. Responsible for design, delivery, and communication of benefit events and annual enrollment;
- HR Assistant** – Provides assistance to the VP and supports the division in all initiatives including payroll, benefits, recruiting, employee leave and FMLA administration, learning, and onboarding. Responsible for managing department expenses, and providing outstanding service to internal and external customers.
- Talent Support Specialist** –Responsible for recruitment and onboarding of all new staff. Responsible for drafting bi-weekly newsletter and providing outstanding service to internal and external customers.

**Director of Learning** –Works with leaders and individuals across the organization to conduct needs analysis and design and deliver learning and organizational development solutions that engage talent, grow the corporate culture, and positively impact the workplace.

### **KEY STRATEGIC INITIATIVES**

- Create and implement talent development and succession planning strategies that are clear and easy to understand.
- Work with the WEDC Employer of Choice and Trauma Informed committees to use feedback to further engage current staff and attract and retain top performers.
- Support employees' professional development through clearly defined learning paths.
- Document procedures such that information is clear and accessible.

### **BUDGET NOTES**

- 6000 – 6055 - Payroll and benefits includes one new FTE position, Talent Support Specialist.
- 6150 – Office Expenses – Rent increased due to the new lease contracts for the Madison and Milwaukee offices

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Detailed Budget Worksheet

Human Resources - 6100

Account No. and Name	FY17 Actual	FY18 Budget Original	FY18 Budget Amend February	FY18 Budget Amend April	FY18 Budget Amend June	FY19 Budget New Funds	New Funds % Chg FY19
<b>Revenues</b>							
4170 - Revenue-Other Income	\$ 5,703	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	-100.0%
Total	5,703	200	200	200	200	-	-100.0%
<b>Expenditures</b>							
Payroll and Benefits							
6000 - Benefits- Health Insurance	68,105	82,281	81,410	81,410	81,410	79,109	-2.8%
6010 - Benefits- Life Insurance	205	274	182	182	182	315	73.1%
6015 - Benefits-Retirement	24,923	26,412	27,695	27,695	27,695	28,323	2.3%
6020 - Benefits- Payroll Taxes	26,635	29,714	31,159	31,159	31,159	33,022	6.0%
6021 - Benefits - STD/LTD	-	-	1,866	1,866	1,866	2,088	11.9%
6022 - Benefits - Unemployment Compensation	-	-	-	8,000	8,000	24,000	200.0%
6025 - Benefits Other	965	118,421	2,414	2,414	2,414	2,414	0.0%
6026 - Benefits - Commuting Stipend	-	-	2,216	2,216	2,216	3,324	50.0%
6040 - Merit/Incentives	5,710	3,884	4,072	4,072	4,072	4,317	6.0%
6045 - Employee Recruitment	5,972	7,410	-	7,410	7,410	44,000	493.8%
6050 - Compensation- Salary	371,737	392,299	407,286	407,286	407,286	431,659	6.0%
6055 - Professional Development	15,311	14,700	14,700	29,700	29,700	45,133	52.0%
Total Payroll and Benefits	519,563	675,395	573,000	603,410	603,410	697,704	15.6%
Operating and General							
6056 - Wellness	620	2,000	2,000	1,000	1,000	7,500	650.0%
6090 - Insurance- General Insurance	123,297	120,866	120,866	120,866	120,866	126,000	4.2%
6120 - Office Expense- Other	7,046	9,900	9,900	9,900	9,900	9,900	0.0%
6150 - Office Expense- Rent	454,897	538,000	538,000	554,000	554,000	570,000	2.9%
6200 - Professional Fees- Consulting Fees	5,158	39,300	39,300	39,300	39,300	39,000	-0.8%
6245 - Dues, Subscriptions, and Memberships	1,971	2,720	2,720	2,720	2,720	3,000	10.3%
6270 - Repairs & Maintenance- Building	-	3,600	3,600	3,600	3,600	3,600	0.0%
6340 - Supplies & Equipment- Office Furniture	2,608	3,000	3,000	60,093	60,093	40,000	-33.4%
6360 - Supplies & Equipment- Office Supplies	15,723	15,000	15,000	15,000	15,000	15,230	1.5%
6375 - Events and Conferences	314	-	-	1,000	1,000	-	-100.0%
6377 - Business Meals	2,074	400	400	2,500	2,500	2,500	0.0%
6380 - Travel- Lodging	1,608	4,800	4,800	4,800	4,800	4,500	-6.3%
6390 - Travel - Meals	1,220	2,200	2,200	2,200	2,200	2,200	0.0%
6430 - Travel - Transportation	323	2,500	2,500	2,500	2,500	3,500	40.0%
Total Operating and General	616,859	744,286	744,286	819,479	819,479	826,930	0.9%
Capital							
7020 - Furniture & Fixtures	-	16,000	16,000	-	-	-	0.0%
7030 - Leasehold Improvements	2,913	68,000	68,000	17,000	17,000	40,000	135.3%
Total Capital	2,913	84,000	84,000	17,000	17,000	40,000	135.3%
<b>Total Expenditures</b>	<b>\$ 1,139,335</b>	<b>\$ 1,503,681</b>	<b>\$ 1,401,286</b>	<b>\$ 1,439,889</b>	<b>\$ 1,439,889</b>	<b>\$ 1,564,634</b>	<b>8.7%</b>
<b>Total Appropriation</b>	<b>\$ 1,139,335</b>	<b>\$ 1,503,681</b>	<b>\$ 1,401,286</b>	<b>\$ 1,439,889</b>	<b>\$ 1,439,889</b>	<b>\$ 1,564,634</b>	<b>8.7%</b>



The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. WEDC provides resources, operational support and financial assistance to companies, partners and communities in Wisconsin. WEDC achieves its mission through initiatives driven by five strategic pillars: business development; community and economic opportunity; strategic economic competitiveness; state brand management and promotion; and operational and fiscal excellence. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network.

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# **WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

## **SIXTH AMENDED & RESTATED BYLAWS**

**Effective July 13, 2017**

### **ARTICLE I**

#### **Purposes of the Corporation**

The purposes of Wisconsin Economic Development Corporation, a public body corporate and politic (the “Corporation”), shall be as set forth in Chapter 238 of the Wisconsin Statutes (the “Authorizing Statute”). These Bylaws specify various matters affecting the operations and governance of the Corporation.

### **ARTICLE II**

#### **Members**

The Corporation shall have no members but shall be managed by its Board of Directors as set forth in Article III of these Bylaws and the Authorizing Statute.

### **ARTICLE III**

#### **Directors**

Section 1. Powers. Subject to the limitations of the Authorizing Statute and these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors.

Section 2. Number, Qualification & Term.

(a) The number of Directors of the Corporation shall be fourteen, twelve of which shall be voting and two of which shall be nonvoting.

(b) The Governor of the State of Wisconsin (the “Governor”) shall nominate, and with the advice and consent of the Wisconsin Senate (the “Senate”), appoint six Directors of the Corporation (each a “Governor Appointed Director” and collectively, the “Governor Appointed Directors”). The Governor Appointed Directors shall serve at the pleasure of the Governor. The Governor Appointed Directors shall serve staggered four-year terms or until such Governor Appointed Director’s death or resignation.

(c) The Speaker of the Wisconsin Assembly (the “Assembly”) shall appoint three Directors of the Corporation (each a “Speaker Appointed Director” and collectively, the “Speaker Appointed Directors”). The Speaker Appointed Directors shall consist of: one Representative to the Assembly from the Speaker’s party; one Representative to the Assembly from the minority party (or, if there is more than one minority party, then from the largest party other than the Speaker’s party); and one person who is not directly employed by a governmental agency or authority. Each of the Representatives who shall serve as Speaker Appointed Directors shall be chosen in the same manner in which Representatives of the Assembly are appointed to standing committees in the Assembly. The Speaker Appointed Directors shall serve at the pleasure of the Speaker of the Assembly or until such Speaker Appointed Director’s death or resignation, except that the Speaker Appointed Director who is a Representative in the



minority party in the Assembly shall serve at the pleasure of the Minority Leader of the Assembly or until such Director's death or resignation.

(d) The Majority Leader of the Senate shall appoint three Directors of the Corporation (each a "Majority Leader Appointed Director" and collectively, the "Majority Leader Appointed Directors"). The Majority Leader Appointed Directors shall consist of: one Wisconsin state Senator from the Majority Leader's party; one Wisconsin state Senator from the minority party (or, if there is more than one minority party, then from the largest party other than the Majority Leader's party); and one person who is not directly employed by a governmental agency or authority. Each of the Wisconsin state Senators who serve as Directors shall be chosen in the same manner in which Wisconsin state Senators are appointed to standing committees in the Senate. The Majority Leader Appointed Directors shall serve at the pleasure of the Majority Leader of the Senate or until such Majority Leader Appointed Director's death or resignation, except that the Majority Leader Appointed Director who is a Senator in the minority party in the Senate shall serve at the pleasure of the Minority Leader of the Senate or until such Director's death or resignation.

(e) The Secretary of Administration for the State of Wisconsin and the Secretary of Revenue for the State of Wisconsin shall each serve as nonvoting Directors of the Corporation, commencing on the date of each Secretary's term and terminating when each Director no longer serves as a Secretary of the departments set forth herein, at which time the succeeding Secretary shall become a non-voting Director.

Section 3. Resignation. A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary of the Corporation, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. This section shall not apply to the Secretary of Administration, or the Secretary of Revenue, who may not resign from the Corporation so long as he or she holds the office giving rise to his or her position as a Director of the Corporation. In the event one of the public officials who serves as a Director by virtue of holding such office (i.e., Representative, Senator, Secretary of Administration, or Secretary of Revenue) ceases to serve in the public office that gave rise to his or her appointment as a Director of the Corporation, such public official shall be deemed to tender his or her resignation when he or she is no longer serving in the public office that gave rise to his or her appointment. For example, if a Speaker Appointed Director who is a Representative ceases to be a Representative, that Speaker Appointed Director shall be deemed to have resigned.

Section 4. Removal. Any Governor Appointed Director may be removed from office at any time, with or without cause, by the Governor. Any Speaker Appointed Director may be removed from office, at any time, with or without cause, by the Speaker. Any Majority Leader Appointed Director may be removed from office at any time, with or without cause, by the Majority Leader.

Section 5. Vacancies. A vacancy or vacancies in the Board of Directors occurring for any reason may be filled by the individual who has the authority to appoint a

Director to the vacated seat, under the same terms and provisions as set forth in this ARTICLE III. Each Director so appointed shall hold office until such Director's successor is elected and qualified, or until such Director's death, resignation or removal.

Section 6. Meetings.

(a) Annual Meeting. A regular meeting of the Board of Directors, designated as the annual meeting, shall be held each year at such time and place as may be designated by the Chairperson of the Corporation, or by any Vice Chairperson if the Chairperson is unable to act, for the election of officers and the transaction of such other business as may properly come before the meeting. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year, the meeting, upon waiver of notice or upon due notice, may be held at a later date.

(b) Other Regular Meetings. Other regular meetings of the Board of Directors of the Corporation may be held at such regularly recurring time and place as the Board of Directors may designate.

(c) Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be held whenever called by the CEO of the Corporation (as defined below), by a majority of the Directors, or by the Chairperson of the Corporation or if the Chairperson is absent or is unable or refuses to act, by any Vice Chairperson.

(d) Open Meetings. All meetings of the Board of Directors shall be held in compliance with Wisconsin's Open Meetings Law, Wis. Stats. §§ 19.81-98.

Section 7. Notices. Except as otherwise provided in these Bylaws, notice of any meeting of the Board of Directors, in each case specifying the place, date and hour of the meeting, shall be given to each Director by written notice delivered in person, by electronic mail, or by mail or private carrier, not more than sixty days prior to the date of the meeting, but at least twenty-four hours before the time set for such meeting or, if notification is by mail, by mailing such notice at least five days before the day set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Director at the Director's address as it appears on the records of the Corporation. Except as otherwise provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such notice of such meeting.

Section 8. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, a written waiver of notice of the meeting, containing the same information as would have been required to be included in a proper notice of the meeting, is signed by (a) each Director not present at the meeting and (b) each Director present at the meeting who objected to the transaction of any business because the meeting was not lawfully called or convened. All such waivers shall be filed with and made a part of the minutes of the meeting. Notwithstanding

anything contained in this Section, no Director or Directors have the authority to waive any requirements pursuant to Wisconsin's open meetings law.

Section 9. Quorum; Action of Directors. A majority of the number of voting Directors appointed to and serving as Directors of the Corporation pursuant to these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act or decision of the Board of Directors, unless the act of a greater proportion is required by law, the Authorizing Statute or these Bylaws. The voting on all questions at a meeting shall be by voice vote, unless a Director requests a roll call vote, in which case each Director's vote shall be reflected in the meeting minutes.

Section 10. Adjournment. Any meeting of the Board of Directors, whether regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

Section 11. Organization. The Chairperson of the Corporation, or in the absence of the Chairperson, the Vice-Chairperson, shall act as chair at every meeting of the Board of Directors. The Secretary of the Corporation, or in the absence of the Secretary, any person appointed by the chairperson of the meeting, shall act as Secretary of the meeting.

Section 12. Methods of Conducting Meetings. Directors may participate in any regular or special meeting or in any meeting of a committee of Directors by any means of communication by which either (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is conducted through the use of one of the foregoing means, all participating Directors must be informed that a meeting is taking place at which official business may be transacted. A Director participating in such a meeting is deemed to be present in person at the meeting. If requested by any Director, minutes of the meeting shall be prepared and distributed to each Director.

Section 13. Compensation. The Directors shall not receive compensation for their service on the Board of Directors; provided, however, that Directors of the Corporation shall be entitled to reimbursement of necessary expenses, including travel expenses.

Section 14. Committees. The Board of Directors or the Chairperson of the Board may authorize the creation of any standing and/or temporary committees to consider appropriate matters, make reports to the Chairperson and/or Board of Directors, and fulfill such other advisory and decision making functions as may be designated. The Board of Directors or the Chairperson of the Board may appoint or remove committee members (whether or not the committee member is a Director). The designation of such standing and/or temporary committees, and the committee members thereof, shall be recorded in the minutes of the Board of Directors at the immediately following meeting.

## **ARTICLE IV**

### **Officers**

Section 1. Officers. The Corporation shall have a CEO, a Chairperson, one or more Vice Chairpersons, a Secretary, a Treasurer and such other officers or assistant officers as the Directors may from time to time elect. The Chairperson shall be a Director employed in the private sector. Any two or more of said offices may be held by the same person, except that (a) no person may serve as CEO and any one of the other offices; (b) the offices of Chairperson and Secretary may not be held by the same person; and (c) the offices of Chairperson and Vice Chairperson may not be held by the same person.

Section 2. Election. Other than the office of CEO, the officers of the Corporation shall be chosen annually by the Board of Directors at its annual meeting, and each officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal as either an officer or as a Director. Election or appointment as an officer shall not of itself create contract rights.

Section 3. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary or the Board of Directors as the case may be, and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. If an officer resigns as a Director of the Corporation, it shall be deemed a resignation as an officer as well.

Section 4. Removal. Any officer other than the CEO, may be removed from office by the action of the Board of Directors, whenever in its judgment the best interests of the Corporation will be served thereby, without prejudice to the contract rights, if any, of the officer so removed.

Section 5. Vacancies. A vacancy occurring in any office other than the office of CEO, for any reason, may be filled for the unexpired portion of the term of said office by the Board of Directors. A vacancy in the office of CEO shall be filled in accordance with this ARTICLE IV by appointment of the Governor.

Section 6. Chairperson. The Chairperson shall have such duties, responsibilities and powers as may be necessary to carry out the directions and policies of the Board of Directors or as are prescribed in these Bylaws or otherwise delegated by the Board of Directors and shall at all times be subject to the policies, control and direction of the Board of

Directors. The Chairperson shall preside at all meetings of the Corporation. The Chairperson shall have authority, subject to the rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document consistent with the foregoing general delegation of authority or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. Notwithstanding the foregoing, neither the Chairperson nor any other officer other than the CEO may sign any deed or instrument of conveyance or endorse any security or execute any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness without the specific authority of the Board of Directors pursuant to ARTICLE V below of these Bylaws dealing with such matters. The Chairperson shall, whenever it may in the Chairperson's opinion be necessary, prescribe the duties of other officers and employees of the Corporation, in a manner not inconsistent with the provisions of these Bylaws and the directions of the Board of Directors.

Section 7. Vice Chairpersons. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. If at any such time the Corporation has more than one Vice Chairperson, the duties and powers of the Chairperson shall pass to the Vice Chairpersons in order of their rank as fixed by the Board of Directors, or if they are not so ranked, to the Vice Chairperson designated by the Board of Directors. The Vice Chairpersons shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors, or these Bylaws.

Section 8. Secretary. The Secretary shall perform, or have performed under the Secretary's direction, the following functions:

(a) Certify and keep at the principal office of the Corporation a copy of the Authorizing Statute and an original or copy of these Bylaws, as amended or otherwise altered to date.

(b) Keep at the principal office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings of the Board of Directors and committees thereof, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, and the names of those present at the meetings.

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(d) Be custodian of the records and of the seal of the Corporation, if any, and see that it is engraved, lithographed, printed, stamped, impressed upon, or affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

(e) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.

(f) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall perform, or have performed under the Treasurer's direction, the following functions:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositaries as shall be selected by the Board of Directors.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

(c) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.

(d) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

Section 10. Chief Executive Officer.

(a) Appointment Process. The Governor shall nominate, and with the advice and consent of the Senate appoint, the Chief Executive Officer of the Corporation (the "CEO"), to serve at the pleasure of the Governor. For avoidance of doubt, when a new Governor takes office, the CEO shall remain as CEO of the Corporation unless and until the CEO is removed. The CEO may resign at any time by filing his or her written resignation with the Secretary of the Corporation. If the office of CEO is vacant, the COO may exercise all powers and duties of the CEO as otherwise assigned by these Bylaws, the Authorizing Statute, or the Board of Directors.

(b) Authority of CEO.

(1) *General Authority*. The Board of Directors may delegate to the CEO or other WEDC employee any powers and duties the Board of Directors deems necessary, appropriate, or proper. The powers and duties delegated here are subject to the Board reserving for itself – through the Board or a Committee of the Board – the delineated power or duty.

(2) *Execution of Documents for Administration of the Corporation*. The CEO shall have authority (or delegate authority), subject to rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document the CEO deems necessary, appropriate, or proper in the day-to-day management of the Corporation, or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to

some other officer or agent of the Corporation. For the avoidance of doubt, this subsection conveys to the CEO the authority to execute documents, contracts, and other instruments required for the day-to-day operation of the Corporation, including all day-to-day purchases by the CEO (or his or her delegate) that are deemed necessary or appropriate for the efficient functioning of the Corporation. The CEO may execute, or may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (other than bonds) without the specific authority of the Board of Directors, provided that such checks, draft, or indebtedness is in furtherance of the operation of the Corporation or is otherwise authorized by the Authorizing Statute. Nothing in this subsection, or anywhere else in these Bylaws, shall be deemed to convey to the CEO the authority to incur debt on behalf of the Corporation unless such debt is specifically set forth in a budget approved by the Board of Directors or is otherwise in the ordinary course of business.

(3) *Execution of Documents Related to Economic Development Programs.* In furtherance of the Corporation's mission to foster economic development (as defined in Wis. Stat. § 238.01(3)) within the State of Wisconsin, the CEO may execute (or delegate authority to execute) contracts or other documents related to the Corporation's economic development programming, including loans, grants, and/or tax credits. The CEO shall provide reports to the Board of Directors conveying the amount of any loans, grants, and/or tax credits, broken down by organization or entity to which those funds are allocated. The Board of Directors must approve the designation of an enterprise zone (as designated by the Corporation from time to time) and the amount and type of tax credits allocated to such enterprise zone.

(4) *Acceptance of Gifts from Private Sources.* Only the CEO may accept gifts, contributions, donations, and bequests from private sources (collectively "gifts") for the benefit of the Corporation. However, the CEO's authority under this subsection is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights, or indebtedness.

(5) *Acceptance of Grants, and Gifts from Public Sources.* Only the CEO may accept grants from public and private sources, and gifts, contributions, donations, and bequests from public sources (collectively "gifts") for the benefit of the Corporation.

(6) *Budget.* The CEO may establish (or delegate the establishment of) the Corporation's budget, and may monitor (or delegate the monitoring of) the Corporation's fiscal management.

(7) *Employment Matters.* The CEO may (or may delegate authority to), from time to time, employ any officers, agents, and/or employees that the CEO deems necessary or appropriate to fulfill the Corporation's needs, and the CEO may determine those officers', agents', and/or employees' qualifications, duties, compensation, and benefits. The CEO may also establish and enforce the Corporation's personnel and human resources policies and procedures.

(8) *Bonding Authority.* The CEO may, from time to time, issue (or delegate the authority to issue) bonds on behalf of the Corporation but only after obtaining the approval by the Board of Directors.

(9) *Separate Corporation.* Upon approval by the Board of Directors and as authorized by the appropriate organizational documents, the CEO may create and manage (or delegate authority to create and manage) a corporation organized under chapter 181 of the Wisconsin Statutes for the benefit of the Corporation. Such management shall include the authority to exercise the powers reserved to the Corporation under the separate corporation's organizational documents.

(10) *Procuring Insurance.* The CEO may procure (or delegate authority to procure) any insurance the CEO deems necessary, appropriate, or proper for management of the Corporation.

Section 11. Compensation. The salary of the CEO shall be fixed from time to time by the Board of Directors or a duly authorized committee thereof. Salaries of other principal officers and personnel shall be fixed from time to time by the CEO or by a duly authorized committee of the Board of Directors and shall be consistent with policies determined by the Board of Directors.

## **ARTICLE V**

### **Instruments; Bank Accounts; Checks and Drafts; Loans; Securities**

Section 1. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other requirements as set forth herein or in Board resolutions, the CEO may execute or delegate the execution, of all contracts and other instruments required for the operation of the Corporation, together with any documents necessary to issue bonds, notes, to incur other debt obligations or to provide grants (if so approved by the Board either specifically or generally) and, when necessary, shall ensure that the Corporation's seal is affixed to any such document.



Section 2. Bank Accounts. The Board of Directors or the CEO from time to time may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositaries as may be selected by the Board or by any officer or officers, agent or agents of the Corporation.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or as otherwise set forth in these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositaries may be made without counter-signature by the CEO, Chairperson or any Vice Chairperson or the Treasurer, or by any other officer or agent of the Corporation.

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors or as otherwise provided pursuant to ARTICLE IV. Such authority may be general or confined to specific instances.

Section 5. Facsimile Signatures and Seal. The seal of the Corporation on any document referenced in this ARTICLE V may be a facsimile. The signatures of the Chairperson, Vice Chairperson, and CEO may be facsimiles.

Section 6. Signatures by Former Officers. In case any officer, who has signed or whose facsimile signature has been placed upon any document referenced in this ARTICLE V, shall have ceased to be such officer before such evidence is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue.

## **ARTICLE VI** **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Corporation shall Commence on the first day of July in each year and close on the next succeeding June 30.

Section 2. Corporate Seal. The seal of the Corporation shall contain the name of the Corporation and the word "Wisconsin."

Section 3. Resolutions as Severable, Superseding, and Authorizing. Unless otherwise expressly provided, if any one or more of the provisions of any resolution of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed and construed to be severable from the remaining provisions therein contained and shall in no way affect the validity of the other provisions of such resolution. Unless otherwise expressly provided, each resolution of the Corporation shall be deemed to rescind and repeal all prior resolutions, rules or other actions, or part thereof, of the Corporation in conflict with such subsequent resolution insofar (and only insofar) as such conflict exists. This provision shall not apply to conflicts between resolutions and the Bylaws of the Corporation, as such conflicts shall be resolved in accordance with ARTICLE VIII's

provisions on conflict. The officers of the Corporation, attorneys, agents or employees of the Corporation shall be automatically authorized to do all acts and things required of them by any resolution of the Corporation for the full, punctual and complete performance of all of the provisions of such resolution.

## **ARTICLE VII**

### **Indemnification**

Section 1. Indemnification for Successful Defense. The Corporation shall indemnify a Director, officer or employee to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director, officer or employee was a party because he or she is a Director, officer or employee of the Corporation.

Section 2. Other Indemnification. In cases not included under ARTICLE VII, Section 1, the Corporation shall indemnify a Director or officer against liability incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

(a) A willful failure to deal fairly with the Corporation in connection with a matter in which the Member or officer has a material conflict of interest;

(b) A violation of the criminal law, unless the Director or officer has reasonable cause to believe that his or her conduct was lawful or has no reasonable cause to believe that his or her conduct was unlawful;

(c) A transaction from which the Director or officer derived an improper personal profit; or

(d) Willful misconduct, including a violation of the ethics laws as set forth in Wis. Stat. Chapter 19 (as amended and modified from time to time) to which Directors are subject.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

Section 3. Allowance of Expenses. Within 10 days after receipt of a written request by a Director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance (together with reasonable interest thereon) to the extent that it is ultimately determined

under ARTICLE VII, Sections 1 and 2 that indemnification is not required. The undertaking under this Section shall be an unlimited general obligation of the Director or officer, and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured as determined by the Board of Directors.

Section 4. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the Director or officer and the Corporation, a decision on whether the Director or officer seeking indemnification under this ARTICLE VII shall be indemnified will be determined by one of the following means for establishing his or her right to indemnification:

(a) By a majority vote of a quorum of the Directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, then the disinterested Directors shall select by majority vote from among subsections (b) and (c), below.

(b) By independent legal counsel selected by a majority vote of a quorum of the Directors at the time parties to the same or related proceedings or, if (and only if) unable to obtain such a quorum, by a majority vote of all of the Directors, including Directors who are parties to the same or related proceedings.

(c) By a panel of three arbitrators consisting of one arbitrator selected by those Directors entitled under the previous subsection to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

Section 5. Other Rights. The indemnification provided by this ARTICLE VII shall not be deemed exclusive of any other indemnity which the Directors, or the Corporation, may lawfully grant or any other rights to which any officer, Director, employee or agent may be entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would be obligated to indemnify him or her against such liability under the provisions of this ARTICLE VII. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

## **ARTICLE VIII** **Amendment**

These Bylaws may be amended or amended and restated by the Board of Directors. The amendment must be approved by a two-thirds majority of the Directors present at a duly authorized meeting that fulfills the quorum requirements set forth herein. To the extent any action by the Board of Directors is inconsistent with these Bylaws, as in effect at the time of the action, but the action is taken by at least the number of Directors that would be necessary to

amend the Bylaws, then such action shall be given the same effect as though the Bylaws had been temporarily amended to the extent necessary to permit the specific action to be authorized and taken by the Board of Directors.

**Wisconsin Economic Development Corporation**

**Resolution of the Board of Directors**

July 13, 2017

Re: Resolution on Sixth Amended & Restated Bylaws

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, § 238.04(1) of the Wisconsin Statutes permits the Board of Directors to adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and the conduct of its business.

WHEREAS, Now, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, the Sixth Amended and Restated Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Sixth Amended and Restated Bylaws of the Corporation.

RESOLVED, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 13, 2017.

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.  
**Date:** Sunday, January 27, 2019 3:20:04 PM  
**Attachments:** [AttachedImage](#)  
[AttachedImage](#)  
[AttachedImage](#)  
[Code of Ethics Conduct \(COEC\)- Sourced 12-27-2018.pdf](#)  
[COEC ADDENDUM.pdf](#)

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This is the second email of Board Governance materials with the two document associated with the Code of Ethics.

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**From:** Jennifer Jin  
**Sent:** Sunday, January 27, 2019 2:25 PM  
**To:** Joel.brennan@wisconsin.gov  
**Subject:** Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.

Secretary Brennan,

I am trying to give you direct access to the two folders. Please let me know if this works. Otherwise, I will download the files directly and send them to you.

Jenn



This link only works for the direct recipients of this message.



Final WEDC Board Governance Binder

Open



**Microsoft OneDrive**

Microsoft respects your privacy. To learn more, please read our [Privacy Statement](#).  
Microsoft Corporation, One Microsoft Way, Redmond, WA 98052



**WISCONSIN ECONOMIC  
DEVELOPMENT CORPORATION**

# **CODE OF ETHICS AND CONDUCT**







Dear WEDC Employee,

On behalf of your colleagues, welcome to the Wisconsin Economic Development Corporation (WEDC). I wish you every success here. We believe that each employee contributes directly to WEDC's growth and success, and we trust you will take pride in being a member of our team.

This Code of Ethics and Conduct is based on WEDC's commitment to ethical behavior and business practices. It incorporates WEDC's mission, vision, core values, the ethics code codified in state statutes, and best practices. Each WEDC employee and manager is empowered and entrusted to exemplify the highest of ethical standards.

This Code of Ethics and Conduct was developed to reflect the expectations of WEDC employees and to outline the benefits available to eligible employees. It is intended to provide information to you about WEDC. It is a guide and not a contract, either express or implied. Employees should familiarize themselves with the contents of the Code of Ethics and Conduct as soon as possible, for it will answer many questions about employment with WEDC. It is your responsibility to keep informed of changes and to familiarize yourself with the information contained in the Code of Ethics and Conduct. It is also your responsibility to come to me or a direct supervisor with any questions about the policies and practices described in this Code of Ethics and Conduct.

We hope your experience here will be enjoyable, challenging and rewarding.

Sincerely,

A handwritten signature in black ink that reads "Mark R. Hogan". The signature is written in a cursive, flowing style.

Mark R. Hogan

Secretary and CEO

## **MISSION** (what we want to do):

To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment.

## **CORE VALUES**

**INTEGRITY** – We adhere to the highest ethical standards while achieving our mission.

**RESPECT** – We value and support each other and operate under the ‘Golden Rule.’

**ACCOUNTABILITY** – As a public-private steward of taxpayer dollars, we monitor our actions and outcomes, celebrate our successes and commit to continuous improvement.

**INNOVATION** – We embrace creative initiatives that leverage Wisconsin’s unique attributes.

**TRANSPARENCY** – We track and share information to monitor organizational effectiveness.

**COLLABORATION** – We build strong internal and external relationships to accomplish our mission.

**PEOPLE** – We attract and retain talented staff and foster an environment for continued professional growth and wellbeing.

**PUBLIC SERVICE** – We share a common purpose of improving the lives of Wisconsin residents by creating economic opportunities through the businesses in which they work and the communities in which they live.

**CUSTOMER-CENTRIC** – We maintain the highest levels of responsiveness and service for the businesses and communities that are helping to grow Wisconsin’s economy; these are our customers.

## **VISION** (what we aspire to become):

Leveraging talented professionals and strategic partnerships, WEDC aspires to be a leading and widely respected state economic development organization, helping Wisconsin elevate its quality of life and long-term economic prosperity for all residents.

## **CATALYSTS OF ECONOMIC GROWTH**

### **STRATEGIC ECONOMIC COMPETITIVENESS**

Encouraging innovation and fostering an environment of success for industry and its supporting workforce

### **BUSINESS DEVELOPMENT**

Leveraging strategic partnerships throughout the state to help Wisconsin companies start up, grow and reach new markets

### **COMMUNITY AND ECONOMIC OPPORTUNITY**

Helping to improve quality of life through support for minority business growth and community development and revitalization efforts

### **BRAND DEVELOPMENT AND STRATEGY**

Raising awareness of Wisconsin's many assets through powerful stories and achievements

### **OPERATIONAL AND FISCAL EXCELLENCE**

Building confidence by setting strategic goals and maintaining a commitment to performance and accountability

See more at: <http://inwisconsin.com/inside-wedc/>

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# WORKPLACE EXPECTATIONS

## 1.1. Ethics

### Introduction

WEDC operates and administers its economic development programs with the highest ethical standards. The guiding principle underlying this policy is that WEDC employees and vendors with which WEDC contracts must always exercise good faith in their actions related to their work for and with WEDC.

WEDC employees are subject to the ethics laws in Chapter 238 of Wisconsin Statutes and the State's ethics code found in Wisconsin Statutes §§ 19.41-19.59. The policy underlying the ethics code is broad:

It is declared that high moral and ethical standards among state officials... are essential to the conduct of free government; that the legislature believes that a code of ethics for the guidance of state public officials...will help them avoid conflicts between their personal interests and their public responsibilities, will improve standards of public services and will promote and strengthen the faith and confidence of the people of this state in their state public officials...

Wis. Stat. § 19.41(1). This policy statement serves as the framework for the State's ethics code and WEDC's ethics policy as a whole.

Transparency through disclosure is the key to monitoring conflicts of interest. Many times, a conflict of interest is harmless to WEDC and the interests of the State of Wisconsin. With disclosure, WEDC can evaluate the pertinent circumstances and minimize the likelihood of a conflict occurring that would affect WEDC and the interests of the State of Wisconsin.

### State of Wisconsin's Ethics Code

The statutory ethics code precludes state public officials from:

- Entering into contracts for state funds without notice.
- Using their public position for private benefit.
- Soliciting or accepting rewards or items or services likely to influence their official duties.
- Accepting transportation, lodging, food, or beverage except as specifically authorized.
- Using confidential information to receive anything of value.
- Using their public position to obtain unlawful benefits.

- Acting officially in a matter in which they are privately interested.

Employees are responsible for understanding all provisions of the statutes' ethics code. A summary is provided here.

### **Employee Contracts for State Funds**

Unless an employee has first notified the Ethics Commission and the contracting agency, no WEDC representative, his or her immediate family members, nor any organization with which the representative or an immediate family member has at least a 10% interest may enter into a contract for State funds if the contract obligates the State to pay more than \$3000 over a 12-month period.

For purposes of the ethics code, "immediate family" is defined as a spouse, domestic partner, or a relative (by birth, marriage, or adoption) who receives, directly or indirectly, more than one-half of his or her support from a Director or from whom the Director receives, directly or indirectly, more than one-half of his or her support.

WEDC employees must notify WEDC's CEO or Chief Legal Counsel if considering a contract that falls within the scope of this law. The Compliance Team maintains a report on all such notifications.

### **Private Benefit**

WEDC employees may not use their position with WEDC for financial or non-financial gain for the official, his or her immediate family, or an organization with which he or she is associated.

For purposes of the ethics code, an official is "associated" with an organization when the official or a member of the official's immediate family is a director, officer, or trustee, or owns or controls, directly or indirectly, at least 10% of the outstanding equity, or the officer or a member of the officer's immediate family is an agent or representative of the organization.

### **Acceptance of Gifts or Rewards**

Employees may not accept or solicit anything of value from a person or entity if it could be reasonably expected to influence their actions related to their position with WEDC or construed as a reward for their actions.

In the event a WEDC employee receives an item of value that can reasonably be expected to influence or be construed as a reward, and it cannot or should not be returned (e.g. for reasons of professionalism, customs of other countries, cost, the item is perishable), the item must be donated to a charitable organization, such as Partners in Giving or, if appropriate based on the gift, displayed in WEDC's offices. If the item is perishable (e.g. food), it must be placed in the reception area to be shared among the general public.



## Transportation, Lodging, Food and Drinks

WEDC employees may not accept transportation, lodging, meals, food, or drinks unless WEDC confirms that a statutory exception, such as the ones identified herein apply:

- The items (or payment) are related to expenses for a speaking engagement or other event, or a publication about the operations of and issues related to state government; and the items (or payment) are provided by the organizer of the event or the publisher; <sup>1</sup>
- The activity for which the items are provided or the reimbursement is received is entirely unrelated to the WEDC official's position with WEDC and payment did not arise from the WEDC official's position; or
- The items are accepted on behalf of the State and are for the State's benefit.

The items are accepted by WEDC for economic or business development.

Through procedures developed by the Legal, Records and Compliance Division, each employee or division records the following information for pre-approval of any item of value they are offered (please note that gifts may not need pre-approval if the item is offered without notice):

- the source by which the item was offered;
- the amount or estimated value of the item;
- the event or activity in connection with which the item was received; and
- the location and date of that event or activity.

The Compliance team will advise to the disposition of the item and the information will be collected for tracking purposes and preparing reports, including the annual statutory required report to the Ethics Commission.

## Athletic Events

WEDC employees may not accept or purchase a ticket or admission to an event or access to a loge, skybox, or premium area unless the ticket, admission or access (1) cannot reasonably be expected to influence his or her vote, judgment, or any official action; (2) cannot be reasonably considered a reward for any official action or inaction; and (3) is offered for a reason unrelated to his or her position at WEDC, or is available to the general public on the same terms and conditions. <sup>2</sup>

There are exceptions to these restrictions. WEDC employees may attend an athletic event at no cost or on terms not available to the public if WEDC authorizes his or her participation in the event for economic or business

<sup>1</sup>These requirements are not intended to dissuade individuals from engaging with the public. In fact, the ethics code specifically encourages officials to meet with and speak to special interest groups, political groups, school groups, clubs, and other public organizations and meetings to discuss official business.

<sup>2</sup> Complimentary or reduced price tickets for University of Wisconsin System athletic events also must be permitted by the rules of intercollegiate athletics conferences of the institution participating in the event and approved by the chancellor.





development purposes on behalf of the State. It is considered a benefit to the State if there is a substantial, well-articulated government purpose for attending the event; or if the event is a prominent, public ceremonial activity and any private benefit is merely incidental to the government purpose. In addition, employees may accept a ticket, admission or access when, in the rare event, it is of no pecuniary value.

## Statement of Economic Interest

WEDC employees are required to file an annual Statement of Economic Interest with the Ethics Commission. WEDC employees must include in their Statement of Economic Interests each organization or person that provided to him or her anything valued at more than \$50 during his or her proceeding taxable year, the circumstances under which it was received and the approximate value. The WEDC employee does not need to include the value of an item in his or her Statement of Economic Interests if the item:

- Is returned within 30 days;
- Is paid by a person identified on the WEDC employee's Statement of Economic interests;
- Has already been reported to the Ethics Commission by WEDC; or

Is made available to the official by the Wisconsin Economic Development Corporation or the Department of Tourism.

For the Chief Executive Officer, the first year's statement is due to the Ethics Commission within 21 days of nomination (unless a statement has been filed previously by the nominee) and all subsequent statements are due by April 30. For employees, the first statement is due within 21 days of assuming employment at WEDC and, again, all subsequent reports are due by April 30. Questions about statements of economic interest must be directed to the Ethics Commission.

Disclosing Confidential Information WEDC employees may not use or disclose confidential information in any way that could result in a benefit gained by the official, his or her immediate family, or an organization with which the official is associated.

## Unlawful Benefits

WEDC employees may not use their position to influence or receive unlawful benefits, advantages or benefits for anyone.

## Campaign Contributions

WEDC employees may not offer a vote or influence on a matter in exchange for a contribution or service for the benefit of a candidate, political party or any person making a communication that contains a reference to a clearly identified state elected official or candidate for public office.



## Private Interests

Similar to the requirements outlined below under “WEDC Contracts with Which Employees Have a Financial Interest,” the ethics code precludes employees from involvement in any official action on matters that could be reasonably expected to result in a substantial benefit for the official, the official’s immediate family, or an organization with which the official is associated. Wis. Stat. § 19.46.

## WEDC Contracts with Which Employees Have a Financial Interest

WEDC is well-served by individuals who have diverse experiences and are actively involved in their communities and the State. Their experiences and involvement enhance the expertise they bring to WEDC. These experiences and involvement may interrelate with their work for WEDC, giving rise to circumstances whereby an employee or vendor has an actual or perceived conflict of interest.

WEDC is precluded from executing a contract with an organization with which an employee maintains a controlling interest. A controlling interest is defined where an employee (1) owns or controls directly or indirectly 51% or more of the ownership interest of the organization or (2) serves as president or chief executive officer or otherwise has the authority to act as the senior executive officer of the organization. The employee must immediately report any organizations with which they have a controlling interest to WEDC. All other conflicts may be reported as they become aware of the organization working with WEDC.

State law (Wis. Stat. § 238.046) prohibits the WEDC employee from involvement with an award if the employee has a direct or indirect financial interest in the contract for that award. Upon discovering that they have a conflict of interest in a contract contemplated by WEDC, employees must promptly disclose that interest to WEDC’s Chief Legal Officer or Chief Executive Officer. The Chief Legal Officer and Chief Executive Officer will determine whether the disclosed conflict of interest is one that precludes the employee from involvement in a contract. The Chief Legal Officer’s disclosures will be reviewed by Senior Staff Counsel and the Chief Executive Officer; the Chief Executive Officer’s disclosures will be reviewed by the Chief Legal Officer and the Chief Operating Officer. In the event of a conflict of interest falling within the scope of the statute, the employee must refrain from any discussions or actions on the award at issue. Affected individuals must recuse themselves from meetings when the award is discussed. If at a Board or committee meeting, the minutes will reflect the director’s or employee’s abstention from voting.

The Chief Legal Officer or Chief Executive Officer will ensure appropriate measures are taken for recusal and will report conflicts to the Board.

## Contributions

The Chief Executive Officer may accept contributions, donations, gifts, and bequests—collectively referred to as “contributions”—from private and public sources for the benefit of WEDC. WEDC Bylaws limit the Chief Executive

Officer's authority to accept contributions to those amounting to \$25,000 or less in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights or indebtedness. The Board may accept contributions amounting to more than \$25,000 for the benefit of WEDC.

The Compliance Team shall track these contributions.

### **WEDC Accepted Economic Development Events**

State law expressly allows WEDC to solicit and receive, on behalf of the State, anything of value if related to:

- Sponsorship of a trip to a foreign country primarily to promote trade and for the benefit of the State; or
- Hosting an event to promote business, economic development, tourism or governmental conferences sponsored by multistate, national or international associations.

Public officials may, in turn, accept from WEDC anything of value that WEDC is authorized to provide.

WEDC annually reports to the Ethics Commission on any funds that it accepts for these purposes.

### **Vendor Agreements**

All vendor contracts must include a conflicts of interest provision. In addition, prior to executing a contract with a vendor, contracts must require that if a vendor fails to disclose a potential conflict of interest, and if WEDC determines such failure to disclose involves a material conflict of interest, the vendor's contract may be terminated or declared to be void by WEDC. Additionally, contracts must require vendors to advise WEDC of any changes in potential conflicts of interest. All vendor contracts must comply with WEDC's policies and controlling statutes on procurements.

If a conflict of interest is disclosed or discovered, a determination will be made as to the nature of the interest and what action needs to be taken to protect against or alleviate the conflict.

### **Lobbying Regulations**

WEDC is an "agency" under Chapter 13 of the Wisconsin Statutes but employees are not "agency officials." This means the only lobbying regulation that applies to WEDC is the requirement to file an annual Legislative Activities Statement. WEDC is required to file a semi-annual Report on Legislative Activities of State Agencies.



## 1.2. Working with Outside Counsel

The Chief Legal Counsel provides oversight on the process for engaging the assistance of outside legal counsel. Please contact the Chief Legal Counsel for additional information on this process.

## 1.3. Open Records

WEDC is subject to the public records law. Wisconsin's public records law provides the public with access to documents maintained by WEDC and requires that documents be kept for certain periods of time. WEDC provides employees with guidelines for complying with Wisconsin's public records law. The law embodies Wisconsin's commitment to transparency and open government: "It is declared to be the public policy of this state that all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those officers and employees who represent them." Wis. Stat. § 19.31. WEDC shares this commitment. Legal counsel will train all new employees and regularly train existing employees on the requirements of the public records law.

## 1.4. Equal Employment Opportunity

WEDC provides equal opportunity in employment to all employees and applicants for employment. No person will be discriminated against in employment because of race, color, sex, pregnancy, sexual orientation, age, religion, national origin/ancestry, marital status, genetic identity, arrest record, conviction record, membership in the military, use of or nonuse of lawful products, or disability, and any other category protected by applicable federal, state or local law.

This applies to all terms, conditions, and privileges of employment of WEDC.

Any communication from an applicant for employment, an employee, a government agency or an attorney concerning any equal employment opportunity matter should be referred to the Vice President of Human Resources or Chief Legal Counsel.

## 1.5. Productive Work Environment and Anti-Harassment Policy

WEDC will promote a productive work environment and will not tolerate conduct by any employee that harasses, disrupts or interferes with another's work performance or that creates an intimidating, offensive or hostile environment.





Employees are expected to maintain a productive work environment that is free from harassing or disruptive activity. No form of harassment will be tolerated; including but not limited to illegal harassment based on one's protected status under law (e.g., race, national origin, religion, disability, pregnancy, age, military status, sex, sexual orientation, marital status).

WEDC will keep the workplace free of any form of harassment – illegal or otherwise.

No supervisor or manager may threaten or insinuate, either explicitly or implicitly, that an employee's refusal or willingness to submit to sexual advances will affect the employee's terms or conditions of employment. In addition, a supervisor should not engage in a romantic relationship with a subordinate.

Instances of offensive conduct, directed at individuals because of their race, color, sex, pregnancy, sexual orientation, age, religion, national origin/ancestry, marital status, genetic identity, arrest record, conviction record, membership in the military, use of or nonuse of lawful products, or disability, and any other category protected by applicable federal, state or local law, are strictly prohibited.

Employees are expected to behave in a professional manner at work, regardless of the type of relationships they may have with co-workers outside of the workplace.

Any employee who believes that a supervisor's, manager's, other employee's, or nonemployee's actions or words constitute harassment or offensive conduct that disrupts the work place should report the situation as soon as possible. The report or complaint should be made to the employee's supervisor or manager, or to the Vice President of Human Resources if the complaint involves the supervisor or manager or if the employee is not comfortable talking with the supervisor or manager. Complaints of harassment will be handled and investigated under WEDC's dispute resolution procedure. (See Section 1.9 Dispute Resolution Procedure.) WEDC prohibits any form of retaliation against employees for bringing complaints or providing information about harassment in good faith.

Nothing here expands on legal rights available under local, state or federal law.

## **1.6. Confidential Nature of WEDC Affairs**

It is WEDC's policy that all information considered confidential will not be disclosed to external parties or employees unless disclosure is required by law or authorized by a member of the executive management team. If there is a question of whether information is confidential or to whom confidential information can be shared, an employee must first check with his or her supervisor or manager before disclosing it.

## 1.7. Personal Appearance of Employees

Each employee's dress, grooming and personal hygiene should be appropriate to the work situation:

- Employees are expected at all times to present a professional, businesslike image to customers, prospects, and the public. Acceptable personal appearance, like proper maintenance of work areas, is an ongoing requirement of employment with WEDC.
- Employees are expected to dress in a manner that is normally acceptable in similar business establishments.
- At its discretion, WEDC may allow employees to dress in a more casual fashion than is normally required. On these occasions, employees are still expected to present a neat appearance.

## 1.8. Ethics Hotline

WEDC is committed to lawful and ethical behavior in all its activities and requires its employees to conduct themselves in a manner that complies with all applicable laws and regulations. WEDC will maintain an ethics hotline for external or internal reports of fraud, mismanagement, or misconduct.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Legal Officer (CLO), and Vice President of Human Resources (VP of HR) are responsible for investigating and reporting on cases that are submitted through the ethics hotline. In addition, WEDC's Audit Committee Chair will have access to view all cases when submitted to the ethics hotline. If any person responsible for investigating is implicated in a case, that case will bypass the implicated individual(s). Ethics hotline cases will also be reported to the WEDC Board of Directors and the WEDC Audit Committee on an annual basis, within the annual Compliance Report. This report is brought to the board meeting annually in July.

WEDC will not retaliate against anyone who files an ethics case. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action. Anyone who believes he/she is being retaliated against must contact the Vice President of Human Resources immediately.

## 1.9. Dispute Resolution Procedure

WEDC employees should have an opportunity to present their work-related complaints and to appeal management decisions through a dispute resolution procedure. WEDC attempts to resolve promptly all disputes that are appropriate under these guidelines.

An appropriate dispute is defined as an employee's expressed dissatisfaction concerning any interpretation or application of a work-related policy/procedure by management, supervisors or other employees. Employees should notify WEDC in a timely fashion of any dispute considered appropriate under these guidelines. The dispute resolution procedure has a maximum of three steps, but disputes may be resolved at any step in the process.

Employees who feel they have an appropriate dispute should proceed as follows:

- 1) Promptly bring the complaint to the attention of the immediate supervisor or manager. If the dispute involves the supervisor, then the employee may proceed directly to Step Two. The supervisor should investigate the complaint, attempt to resolve it and give a decision to the employee within a reasonable time. The supervisor should prepare a written and dated summary of the dispute and proposed resolution for the employee's personnel file.
- 2) Appeal the decision to Human Resources, if dissatisfied with the supervisor's decision, or initiate the procedure with Human Resources if Step One has been bypassed. This appeal or initial dispute notification must be made in a timely fashion using a written form provided for this purpose. The supervisor's version of the dispute and decision will then be submitted using a similar written form. The Human Resources representative will, in a timely fashion, confer with the employee, the supervisor and any other members of management considered appropriate; investigate the issues and communicate a decision in writing to all the parties involved.
- 3) Appeal an unsatisfactory division head decision to the CEO. The timeliness requirement and procedures to be followed are the same as those in Step Two. The CEO will take the necessary steps to review the dispute and will then issue a written, final and binding decision.

Because each situation is distinct, final decisions on disputes will not be precedent setting or binding on future disputes unless they are officially stated as WEDC policy or procedure. Unless designated otherwise, information concerning an employee dispute will be confidential. Supervisors, division heads and other members of management who investigate a complaint may discuss it only with those individuals who have a need to know about it or who are needed to supply necessary background information or advice.

Employees will not be penalized for proper use of the dispute resolution procedure. It is not considered proper use if an employee raises complaints in bad faith or solely for the purposes of delay or harassment or repeatedly raises meritless disputes. Implementation of the dispute resolution procedure by an employee does not limit the right of WEDC to proceed with any disciplinary action that is not in retaliation for the use of the dispute resolution procedure. In addition, employees and supervisors are prohibited from retaliating against an employee who properly uses the dispute resolution procedure.

WEDC may, at its discretion, refuse to proceed with any dispute it determines is improper under these guidelines. Further, this does not alter the employment-at-will relationship in any way.

## **1.10. Solicitation**

Unless sponsored by WEDC, WEDC limits solicitation and distribution on its premises because those activities can interfere with its normal operations, reduce employee efficiency, annoy customers and pose a threat to security. Those limitations are:

- Individuals not employed by WEDC are prohibited from soliciting funds or signatures, conducting membership drives, distributing literature or gifts, offering to sell merchandise or services or engaging in any other solicitation, distribution or similar activity on WEDC premises.
- Solicitations or distribution of literature by employees is permitted in the employee kitchen with prior approval from the Vice President of Human Resources.
- WEDC maintains various communication systems to communicate WEDC information to employees and to disseminate or post notices required by law. These communication systems are for business use only and may not be used for employee solicitation or distribution of literature without approval by the Vice President of Human Resources.

## **1.11. Contact with Elected Officials**

There are numerous opportunities when WEDC staff may interact with elected officials or their staff members regarding WEDC. In an effort to maintain clear





and consistent messaging as well as to track requests received from these offices, WEDC staff members must notify the Legislative Liaison or Office of Public Policy. It is important that these communications are relayed in a timely manner in order to assist the Office of Public Policy and Executive Leadership team to track contacts, reply to requests for information, identify areas of legislative interest and respond to potential areas of concern.

Email communications to elected officials, including but not limited to, legislative representatives, the Governor's office or the Lt. Governor's office must include a CC to the Legislative Liaison or Office of Public Policy. Further more, while it is preferred that meetings scheduled with elected officials are facilitated by the Legislative Liaison, it is understood that, on occasion, other staff are contacted directly by elected officials for meetings. Meetings scheduled with an elected official must include an invitation for the Legislative Liaison or Office of Public Policy to attend.

Additionally, if an elected official, especially the Governor or Lt. Governor, is being invited to an event hosted by WEDC, an update must be provided to the Legislative Liaison or Office of Public Policy with the details of the event.

## 1.12. Social Media

### Personal Use of Social Media

Staff always represent WEDC even when speaking in a personal capacity. Staff should always exercise appropriate judgment and discretion and abide by all WEDC policies when using personal social media (or any other form of communication if referring at all to WEDC or its affiliates, or speaking on behalf of WEDC. Unlawful or inappropriate conduct may result in discipline up to and including termination.

Social media postings that may include discriminatory language, harassment and threats of violence or other inappropriate or unlawful content will not be tolerated. Violators may be subject to disciplinary action up to and including termination.

Additionally, WEDC-issued email addresses may not be used to maintain or be associated with employee personal social media accounts, including but not limited to LinkedIn, Twitter, Facebook and blogs.

A WEDC employee may not create a link from a personal blog, website or other social networking site to the WEDC website without identifying him or herself as a WEDC employee.

Employees may not post on social media internal reports, policies, procedures or other internal business-related confidential communications.

Employees should not use personal social media accounts for business purposes. If an employee does, he or she is responsible for retaining records of such content. These records are subject to public records laws and the



related laws on retaining those records for a certain period of time. These business-related records must be supplied if requested by an open records request.

### Official WEDC Social Media

Social media includes all means of communicating or posting information or content on the Internet, which may include any individual or person's Web log or blog, journal or diary, personal website, social networking or affinity website, Web bulletin board or chat room.

Official WEDC social media is defined as social media accounts approved by the WEDC Vice President of Marketing and administered by the WEDC Marketing team on behalf of the agency to communicate agency news, resources and other economic development topics. Other topics are subject to approval by the WEDC Marketing Division. The WEDC Marketing Division is responsible for the opening, maintaining and closing of official WEDC social media accounts. The Marketing Division maintains records of social media log-in information in coordination with the WEDC Information Technology Division.

- WEDC will host social media platforms and online communities, such as LinkedIn and Twitter. All WEDC social media - including blogs - must be approved by the Vice President of Marketing. The Marketing team will keep employees apprised of the tools available.
- As with any other form of communication regarding WEDC business, communications through WEDC's social media are subject to Wisconsin's public records laws.
- WEDC employees administering WEDC social media accounts will conduct themselves professionally and respectfully.
- All communications posted on WEDC's social media platforms must meet one or more of the following objectives:
  - Promote WEDC's mission;
  - Reach a wider, more diverse audience;
  - Educate and inform;
  - Endorse WEDC's efforts;
  - Promote WEDC events; and
  - Learn about the communities in which we work and their economic development needs.



Before using WEDC's social media platforms, staff must receive appropriate training or assistance from Marketing staff as well as:

- Receive authorization to use the platform from their Division's Vice President or Marketing staff;
- Adhere to WEDC's policies;
- Promote the goals of WEDC;
- Respect WEDC's stakeholders;
- Respect confidential information;
- Respect the privacy of colleagues and fellow employees; and
- Understand that content and contacts remain the property of WEDC.

NOTE: Some of the social media channels such as Twitter are managed exclusively by marketing staff with content input from WEDC team members

### **1.13. Use of In Wisconsin® and THINK·MAKE·HAPPEN In Wisconsin Logos**

The Marketing team maintains brand guidelines related to the use of In Wisconsin and Think-Make-Happen In Wisconsin brands and logos. All uses of those brands and logos must adhere to those guidelines. Questions or concerns regarding brand usage, co-branding or adoption must be directed to the Marketing Division. For the latest brand guidelines document or to request a logo, contact the Vice President of Marketing.

### **1.14. Media Contact Procedure**

WEDC staff members (with the exception of the CEO or pre-approved CEO delegate) are prohibited from contacting, speaking to or corresponding with the media in person, by phone or email, on WEDC matters unless previously approved. Staff receiving any email or phone call from the media should forward the inquiry along with contact information to the Public Affairs and Communication Director. The Public Affairs and Communication Director will determine the appropriate manner in which to respond, the appropriate staff to respond and assist in providing the appropriate information and messages. Media inquiries should be referred to the Public Affairs and Communication Director as soon as possible after receiving it so that appropriate WEDC staff may respond in a timely manner.

In the instances where media is attending a public forum (i.e., trade show, conference, community meeting) and requests an interview, staff should respond only to questions relating to the purpose and content of the event. Staff should defer comment on inquiries not related to the event and matters listed above to the Public Affairs and Communication Director. Staff should notify the Public Affairs and Communication Director that an interview was conducted, by whom and content of interview, within 24 hours of the interview. This is done for the purpose of logging all media contacts.

## 1.15. Records Management

### Public Records

WEDC is subject to public record laws. Wisconsin's public records laws provide the public with access to records maintained by WEDC, require that records be kept for a certain period of time and require that certain personally identifiable information is protected.

Any external requests for WEDC records must be handled by our Legal team. Questions should go to WEDC's Deputy Records Custodian.

A public record is any material on which written, drawn, printed, spoken, visual, or electromagnetic information or electronically generated or stored data is recorded or preserved, regardless of physical form or characteristics, which has been created or is being kept by WEDC in connection with its official purpose or function.

The following do not qualify as a public record:

- Reference materials and stock copies (vendor catalogs, blank forms, copies of agency publications).
- Duplicate copies (used for convenience or reference purposes only)
- General announcements and unsolicited email (reminders received by staff, spam)

Do not destroy or delete original documents. Only the Records Manager is authorized to determine, based on record retention requirements, whether a document can be destroyed or must still be retained.

All WEDC records must be stored and retained electronically. However, the following original documents are required to be kept in both paper and electronic formats:

1. Promissory notes.
2. Personal and/or Corporate Guarantees.
3. Security Instruments.
4. Mortgages.
5. Securities Certificates (if securities certificates are delivered as collateral).
6. Life Insurance policies.

Utilizing personal devices (phone, laptop) for any WEDC related activity is strongly discouraged. If there is an open records request and it is determined you generated or received WEDC related information on your personal device, your personal device may be searched for records related to the open records request.

## Protected Personally Identifiable Information (PII)

Certain personal information is subject to higher levels of legal protection. Examples of protected PII most frequently found in WEDC generated or received documents include:

- Social Security numbers
- Personal bank account numbers
- Credit card numbers
- Passport numbers

This type of information must be protected and only accessible to staff who need it to conduct WEDC business. If you observe protected PII in unprotected documents, please contact the Records Manager immediately. Appropriate steps will be taken to secure the information.

## File Retrieval request process

WEDC has a specific method for requesting protected personally identifiable information and other documents that are not available in electronic files which tracks who made the request, when the file was retrieved, when the file is returned and when it is refiled. This ensures the location of a record is known at all times. Please contact the WEDC Records Manager if you have any questions about the file retrieval process.

## Naming Convention

A naming convention is a systematic method for naming files, documents and records. A consistent naming convention is an important tool for records management. It allows you to:

- Know the content of a document without opening it
- Find documents quickly using a search function
- Easily browse lists of files to inventory or check for missing documents.

All WEDC employees are required to use approved naming conventions.

If you have questions about WEDC naming conventions for your division, please contact the WEDC Records Manager.



# EMPLOYMENT

## 2.1. Employment At Will

All employees except the CEO who do not have a written employment contract with WEDC for a specific, fixed term of employment are employed at the will of WEDC for an indefinite period, and may be terminated, at any time and for any reason unless otherwise prohibited by law. Additionally:

- No WEDC representative is authorized to enter into any agreement, oral or written, that changes the at-will relationship.
- Completion of an introductory period or conferral of regular status does not change an employee's status as an at-will employee or in any way restrict WEDC's right to terminate the employee or change the terms or conditions of employment.
- The company reserves the right to consider employees who are absent from work for three consecutive days without being excused or giving proper notice as having voluntarily quit.

## 2.2. Orientation and Training

The Human Resources Division is responsible for the overall development and coordination of the orientation program and for implementing the portions that cover corporate history, philosophy, benefits and employee files and documentation. Each supervisor is responsible for orientation as it applies to introducing the new employee to the specific job and division, and may select a coworker to serve as a mentor to facilitate the new employee's transition.

Supervisors are responsible for recommending employees for special training programs, for providing on-the-job training, and for arranging outside trainers. Supervisors may approve employee participation in continuing education and training programs when that instruction is regarded as beneficial or considered necessary for satisfactory job performance. In some cases, employees may be required to enroll in and complete the programs satisfactorily.

For ongoing professional development and tuition reimbursement support, please see Section 5.2, Professional Development and Education.

## 2.3. Outside Employment

WEDC allows its employees to engage in outside work or hold other jobs, including self employment, subject to certain restrictions and the support of your manager. Prior to approval of outside employment, a review of possible conflicts of interest must occur as outlined in Section 1.1 Ethics. Final approval for outside employment is at the discretion of the Human Resources Division and the employee's supervisor or manager.

## 2.4. Personnel Records

WEDC maintains personnel records for applicants, employees, and past employees in order to document employment-related decisions, evaluate and assess procedures, and comply with government recordkeeping and reporting requirements. WEDC complies with open records and record retention policies administered under Wisconsin law.

Employees have a responsibility to keep their personnel records up to date and should notify the Human Resources Division in writing of any changes in at least the following:

- Name;
- Address;
- Telephone number;
- Marital status (for benefits and tax withholding purposes only);
- Number of dependents;
- Addresses and telephone numbers of dependents and spouse or former spouse (for insurance purposes only);
- Beneficiary designations for any of WEDC's insurance, disability, and pension;
- Persons to be notified in case of emergency.

Employees who believe that any file material is incomplete, inaccurate, or irrelevant may submit a written request for file revisions to the Human Resources Division.

Only supervisory and management employees who have an employment-related need to know information about another employee may inspect the relevant information that is contained within files of that employee.

Employees should refer all requests from outside WEDC for personnel information concerning applicants, employees and past employees to the Human Resources Division. The Human Resources Division normally will release personnel information only in writing and only after obtaining the written consent of the individual involved. Exceptions may be made to cooperate with legal, safety and medical officials who need specific employee information. In addition, exceptions may be made to release limited general information, such as the following:

- Employment dates;
- Position held; and
- Location of job site.



# ATTENDANCE

## 3.1. Work Hours

WEDC will establish the time and duration of working hours as required by work load and production flow, customer service needs, the efficient management of human resources and any applicable law.

The normal workweek is Sunday through Saturday, beginning and ending at 12:00 a.m. Sunday, and consisting of forty hours. The normal workday will consist of eight hours of work with an unpaid meal period. Rest or coffee breaks under thirty (30) minutes are considered as time worked. WEDC will observe core hours between 8:00 a.m. and 5:00 p.m. Generally, staff are expected to work a regular schedule of a five-day workweek, Monday through Friday, in which they arrive at work no later than 8:30 a.m. and leave work no earlier than 4:00 p.m. Staff members should work with their direct supervisor to establish work schedules which reflect an 8 hour day and a 40 hour work week. The schedule of hours for employees will be determined by each manager and Human Resources Division. Schedules that deviate from the above noted regular schedule will be eligible for consideration.

Management may schedule overtime. Supervisors will assign overtime to nonexempt employees when needed. Employees are not permitted to work overtime without the prior approval of their supervisor or division head. For the purposes of overtime compensation, only hours worked in excess of 40 during a workweek will be counted.

Employee attendance at lectures, meetings, and training programs will be considered hours of work, and therefore will be compensated time, if attendance is approved by management.

Managers, at their discretion, may allow nonexempt employees to make-up lost time during a given work week.

Employee time records should be checked and signed by the supervisor involved. Unworked time for which an employee is entitled to be paid (paid absences or paid holidays) should be entered by the employee on the time record. Authorized overtime also should be identified by the supervisor.

Employees who work on specific projects may be required to allocate their time to specific project codes. It is the employee's responsibility to ensure time is coded appropriately.

Filling out another employee's time record or falsifying any time record is prohibited and may be grounds for disciplinary action, up to and including termination.



Personnel who are exempt from the provisions of the Fair Labor Standards Act are not required to fill out hourly time records but must account for daily attendance. In addition, exempt employees will not receive overtime compensation, but occasionally may be eligible for compensatory time off after working abnormally long hours, subject to supervisor approval.

## 3.2. Alternative Work Patterns

WEDC will provide alternative work patterns that support organizational need and provide for additional employment options to existing and future staff. Alternative work schedules include part-time, shared time, and flexible-time schedules. The parameters required are:

- WEDC's alternative work schedule program will be administered through a request and approval process. When evaluating the request the supervisor must consider operational need, divisional workload, prior approvals and individual circumstances.
- Employees must complete an Alternative Work Schedule Request which will be reviewed by the employee's supervisor and Human Resources to determine approval. Not all requests will be approved.
- A three-month trial period will be required for all approved alternative work schedule arrangements. At the end of the trial period, the employee's supervisor will decide if the alternative work schedule will continue or if changes need to be made.

## 3.3. Attendance and Punctuality

WEDC requires employees to report for work punctually and to work all scheduled hours and any required overtime. Excessive tardiness and poor attendance disrupts work flow and customer service and will not be tolerated. Additional guidelines for staff are:

- Supervisors should notify employees of their work responsibilities and schedule. Employees are expected to be engaged in carrying out their duties during all scheduled work time and should be ready to begin work at their scheduled starting time. Supervisors should record all absences.
- Employees should notify their supervisor as far in advance as possible whenever they are unable to report for work, know they will be late, or must leave early. The notice should include a reason for the absence and an indication of when the employee can be expected to report for work. If the supervisor is unavailable, notification should be made to the Human Resources division.

- Employees are expected to report for work during inclement weather conditions if WEDC does not declare an emergency closing. Nonexempt employees who are late because of weather conditions will be given a chance to make up their missed time if work schedules and conditions permit.

### **3.4. Meal Breaks and Rest Breaks**

WEDC provides meal and rest breaks during the course of each workday. Full-time employees are allowed a meal break near the middle of the workday. Part-time employees scheduled to work more than five consecutive hours during any workday will receive a meal break of the same duration as full-time employees in their division.

Supervisors are responsible for balancing work loads and scheduling meal and rest breaks and should take into consideration the work load and the nature of the job performed. Whenever necessary, the duration and time of meal or rest periods may be changed. Nonexempt employees must sign out and back in on their time cards for all meal breaks longer than 30 minutes.

## **POSITIONS AND PERFORMANCE EVALUATION**

### **4.1. Performance Review**

Supervisors should complete performance reviews upon the following occasions:

- By the end of the first three months of employment or after the employee is transferred or promoted into a new role (referred to as an introductory period);
- In conjunction with the mid-year performance review; and
- In conjunction with the annual performance review.

If a performance review has been completed within one month of the above occasions, a new review does not need to be completed. Between scheduled reviews, supervisors should discuss with employees on an informal basis any performance issues that require attention and should keep records of any significant incidents. The supervisor and employee should meet and discuss the evaluation, assess the employee's strengths and weaknesses in a constructive manner, and set objectives and goals for the period ahead. The employee should be given the opportunity to examine the evaluation and make comments about any aspect of it. The employee and supervisor should then sign and date the evaluation and forward it to the Human Resources Division for review and inclusion in the employee's personnel file.

Information derived from the performance review may be considered when making decisions affecting training, pay, promotion, transfer, or continued employment.

## 4.2. Disciplinary Procedure

All WEDC employees are expected to comply with WEDC's standards of behavior and performance. Under normal circumstances, WEDC endorses a policy of progressive discipline in which it attempts to provide employees with notice of deficiencies and an opportunity to improve. However, in cases involving serious misconduct, a major breach of policy/procedure or violation of law, these procedures may be accelerated.

# EMPLOYEE BENEFITS

## 5.1. Disclosure of Benefits

WEDC will provide its employees with various benefits. Information and summaries intended to explain these benefit plans will be furnished to all plan participants and beneficiaries on a timely and continuing basis. A summary of the overall benefits is as follows:

- WEDC offers certain benefits to eligible employees, including health, pension and retirement plans including but not limited to WRS-managed plans. Eligibility will depend upon the specific requirements of each benefit plan. WEDC also provides a number of other benefits, such as leaves of absence, paid time off and paid holidays.
- The Vice President of Human Resources serves as Administrator of WEDC's benefit and pension plans. The Administrator is responsible for all communications and disclosures concerning WEDC benefits and for compliance with all applicable laws and regulations. In addition, the Administrator and Human Resources staff are available to answer questions concerning the benefit plans.
- WEDC observes the regulations of Wis. Stat. Chapter 40 WRS Benefits. Staff members working two-thirds or more time are eligible for employer-paid contributions. Staff members working less than two-thirds time and insurance-benefit-eligible Limited Term Employees (LTEs) may be eligible or may become eligible for benefits.
- To qualify for participation in the WRS and benefits, employees who are initially employed by a WRS employer on or after July 1, 2011, must meet BOTH of the following eligibility criteria:



- Employee is expected to work at least two-thirds of what is considered full-time employment (1,200 hours for non-teachers and non-school district educational support personnel)
- Employee is expected to be employed for at least one year (365 consecutive days, 366 in leap year) from employee's date of hire
  - Staff that work less than two-thirds time or benefit-eligible LTEs will be required to pay the proportionate benefit contributions.
  - Staff members hired prior to July 1, 2011, or who have previous WRS service, may qualify to be benefit-eligible by meeting alternate criteria. Please contact the Human Resources Division for more information.
- Employees, spouses and dependents covered by WEDC's health benefit plan will be notified, when appropriate, of the opportunity to continue their health care coverage, at their own expense, in certain specified situations including layoff, termination, reduction in hours of employment, and separation or divorce. In addition, they will be provided, when required, with a certificate of prior health coverage if they lose coverage under the health benefit plan.

## 5.2. Professional Development and Education

Education courses and programs eligible for a portion of fee reimbursement include Certificate, Associate's, Bachelor's and Master's Degree programs, which will be reimbursed upon acceptable completion of the course. WEDC will determine, at its sole discretion, whether a degree program or course is business- or job- related and available for reimbursement. To be eligible for professional development and/or education, employees must have regular full-time status and be on the payroll when the course is completed.

To be considered for reimbursement, an employee must submit an Education Reimbursement Form, along with course details, to his/her supervisor. Tuition reimbursement must then be approved in writing by the CEO or COO with recommendation from the employee's direct supervisor. Education expenses may include tuition, books, supplies and equipment necessary for class. WEDC will follow IRS rules (IRS §127 and §132) to determine the taxability of the reimbursement. Reimbursement will cover up to 100% of all related expenses up to \$2,400 per semester.

Employees participating in the educational reimbursement program will continue employment with WEDC for one year after course completion to maintain the 100% reimbursement level.\* Employees who voluntarily resign or are terminated prior to the one-year anniversary will be required to pay the proportionate reimbursement amount back to WEDC.

In addition to courses and programs, WEDC employees will be given the opportunity to attend seminars, training sessions, webinars and lectures. Employees will also be given professional development objectives as part of their



employee expectations. Seminars, training sessions, webinars, and lectures may be pre-paid by WEDC upon receiving authorization from a manager or supervisor.

\*This is not a contract, expressed or implied, guaranteeing employment for any specific duration.

### **5.3. Membership in Clubs and Civic Organizations and Participation in Trade and Professional Organizations**

Unless it creates a conflict of interest or interferes with job performance, employees are encouraged to seek membership in community clubs, trade associations, professional associations and civic organizations where membership will promote WEDC's business interests and enhance its image in the community. Guidelines for this important participation are:

- WEDC may identify certain associations or organizations in which it wants to be represented and then designate the employees that it will sponsor for membership in them. Employees who are designated for membership act as WEDC representatives in the organization and are expected to promote its interests.
- Employee participation in outside activities is not considered as hours worked for pay purposes unless it is at WEDC's request or authorization or under its direction and control.
- WEDC division heads should consider the following factors when selecting organizations for representation and designating employees to sponsor for membership:
  - The nature and purpose of the club or organization;
  - The potential benefit to WEDC, including the enhancement of the employee's leadership and organizational skills;
  - The cost to WEDC;
  - The extent to which WEDC is already represented in the association or organization; and
  - The employee's job responsibilities, length of service and overall qualifications for membership.
- WEDC will periodically review its representation in associations or organizations and its sponsorship of employees for membership, and will make changes as it considers appropriate.
- Employees whose membership is sponsored by WEDC must use the clubs or civic organizations for business purposes only.
- Employees who are sponsored by WEDC for membership in associations



or organizations are eligible for reimbursement for certain expenses. Reimbursable expenses include dues; special charges; initiation fees; and business-related activities, fees, and meal and entertainment expenses. All employees who are not designated and sponsored for membership in associations or organizations are responsible for their own expenses, except when their activities qualify for business expense reimbursement under other WEDC procedures.

- Employees must agree to pay back to WEDC any membership fees or similar expenses paid or reimbursed by WEDC that will be refunded when membership is terminated.
- Division heads are responsible for planning, budgeting and approving the expenses of their employees' participation in association or organization activities.
- Employees are encouraged to contribute articles, present papers, and give talks to trade and professional associations. However, employees must obtain prior approval for any communication that might represent WEDC's position or involve any WEDC information.

## WORKPLACE SAFETY

### 6.1. Concealed Carry

Employees maintain a right to carry a concealed weapon at WEDC, so long as the employee has a valid license and abides by applicable law and company policy as follows:

- Wisconsin allows its citizens to obtain a license to carry a concealed weapon. Citizens are eligible for a license if they, among other things, complete required training and pass a criminal background check. A decision by an employee to carry a concealed weapon during the course of employment is solely a choice by the employee to exercise the employee's individual constitutional and legal rights. Nothing in this policy should be interpreted as a directive to any employee to carry or use a weapon.
- So long as they have a valid license, WEDC employees may carry concealed weapons, including while operating a WEDC-owned vehicle. Employees exercising their right to carry concealed weapon must:
  - Comply with Wisconsin's concealed carry and other applicable laws;
  - Comply with laws and WEDC procedures on threatening and violent behavior in the workplace, meaning obtaining a license to carry a concealed weapon does not absolve employees from those laws and policies on maintaining a safe and professional workplace.

- Keep their weapons concealed on their person at all times. Employees may not leave their weapons unattended or in any location where others might take the weapon, including leaving weapons in or on desks, on counters, in unattended purses, in briefcases, or in any other place physically away from their person or outside their immediate possession. If employees choose not to keep their weapon on their person, they must secure the weapon in a locked vehicle out of sight, preferably inside of a locked case or with a trigger lock, or in another non-WEDC location.
- WEDC's concealed carry procedure does not extend to open carry. WEDC prohibits employees from openly carrying weapons, or intentionally displaying weapons, in the workplace unless in lawful self-defense or in lawful defense of the life of another. This rule applies irrespective of whether the employee is licensed to carry a concealed weapon.
- If an employee becomes aware that a co-worker is in violation, the employee is encouraged to report the violation to a supervisor, the Chief Legal Counsel, or another member of the Executive Office. The employee may report personally or anonymously.

## 6.2. Drugs, Narcotics and Alcohol

WEDC maintains a workplace that is free from the effects of drug and alcohol abuse. Employees are prohibited from the illegal use, sale, dispensing, distribution, possession or manufacture of illegal drugs, controlled substances, narcotics or alcoholic beverages on WEDC premises or work sites. In addition, employees are prohibited from unlawfully using these substances while working or representing WEDC.

WEDC reserves the right to require employees to take a test when there exists reasonable suspicion of possession, use, transfer or sale of illegal substances; exhibiting behavior associated with persons under the influence; or due to the occurrence of a work-related incident where the presence of alcohol or drugs may be a factor. Lawfully permitted tests will be used to determine the presence of drugs, narcotics or alcohol. Tests that are paid for by WEDC are the property of WEDC. Examination records will be treated as confidential and held in a separate medical file. However, records of specific examinations, if required by law or regulation, will be made available to the employee, persons designated and authorized by the employee, public agencies, relevant insurance companies or the employee's doctor.

Any employee who is abusing drugs or alcohol may be granted a leave of absence to undertake rehabilitation treatment. The employee will not be permitted to return to work until certification is presented to the Human Resources Division that the employee is capable of performing his or her job. Failure to cooperate with an agreed-upon treatment plan may result in discipline, up to and including

termination. Participation in a treatment program does not insulate an employee from the imposition of discipline for violations of this or other WEDC procedures.

Employees who are convicted of any criminal drug violation occurring in the workplace must report the conviction to the Human Resources Division within five days, and the Human Resources Division will take appropriate action as required by law.

## TIME OFF/ LEAVE OF ABSENCES

### 7.1. Paid Time Off

WEDC will grant annual Paid Time Off (PTO) to full-time employees in accordance with these guidelines:

- The established Paid Time Off (PTO) year is the calendar year, January 1 through December 31 each year. PTO is accrued or earned based on the employee's length of service and on the time actually paid. Employees will be subject to an annual cap of 240 hours of accrued PTO. Additional accumulations may be approved by the employee's supervisor and Human Resources in advance of the accumulation, for extenuating circumstances.
- Full-time employees will accrue paid vacation according to the following schedule:

SERVICE PERIOD	PAID TIME OFF
Anniversary Years 1 through 4	7.69 hrs/pay period 200 hours (5 weeks)
Anniversary Years 5 through 9	9.23 hrs/pay period 240 hours (6 weeks)
Anniversary Years 10 and over	10.76 hrs/pay period 280 hours (7 weeks)

Employees may take paid time off in advance of accrual up to 40 hours with supervisor approval. Additional time off can be used in excess of earnings if approved by the employee's supervisor and Human Resources. New employees accrue paid vacation upon initial employment but may be restricted on the amount of paid time off available for use within the first six months of employment. Management reserves the right to make changes to these guidelines.

- PTO pay for full-time employees will consist of the employee's regular rate of pay for the PTO period and generally will be paid on the regularly scheduled payday. PTO time is not used to calculate overtime.





- Employees are encouraged to submit PTO plans to their supervisor at least two weeks in advance of the requested vacation date. Management must consider business needs while reserving the right to designate when some or all PTO must be taken but will partner with employees to meet reasonable requests and needs.
- Exempt employees are to schedule PTO for a minimum of four hours (unless PTO is running concurrently with FMLA) and then in one-hour increments thereafter. Nonexempt employees are to schedule PTO for a minimum of one-hour increments. Both FLSA Exempt and non-exempt employees are to work with their supervisor regarding any schedule changes.
- Staff members working less than 20 hours per week are not eligible for paid time off, but will be eligible for holiday pay if the holiday falls on a normally scheduled work day. Interns are not eligible for paid time off or holiday pay.
- When employment is terminated, employees will receive pay for any unused paid time off accrued at the time of termination, to be paid at the wage rate currently in effect in a lump sum payment. Employees who have a negative PTO balance at the time of termination must pay back to WEDC the full amount of the accrual, at the wage rate currently in effect.
- Jury duty leave will be paid as regular work hours.
- An employee who wishes to take time off due to the death of a family member should notify his or her supervisor immediately. Employees may be allowed up to three consecutive days off from regularly scheduled duty in the event of a death. To be eligible for paid bereavement leave, the employee generally must attend the funeral of the deceased. The employee may be asked to provide documentation supporting the need for bereavement leave.
- Employees who cannot get to the polls to vote before reporting to work or after leaving work may use up to three consecutive hours, without using PTO, to vote. Employees must provide the supervisor with notice. If approved, time off will be granted without loss of pay. If not approved, employees may take up to three hours off without pay under Wis. Stat. § 6.76.



## 7.2. Holidays

WEDC designates and observes certain days each year as holidays. Eligible employees will be given a day off with pay for each holiday observed.

**This is the schedule of holidays WEDC observes:**

**NEW YEAR'S DAY;**  
**MARTIN LUTHER KING JR. DAY;**  
**MEMORIAL DAY;**  
**INDEPENDENCE DAY;**  
**LABOR DAY;**  
**THANKSGIVING;**  
**DAY AFTER THANKSGIVING;**  
**CHRISTMAS EVE;**  
**CHRISTMAS;**  
**NEW YEAR'S EVE**

Each employee may also recognize one additional Personal Holiday throughout the calendar year.

Full-time employees are eligible to receive their regular rate of pay for each observed holiday. Part-time employees are eligible to receive holiday pay only for holidays on which they normally would be scheduled to work and only for their regularly scheduled number of hours. Temporary employees and employees on layoff are not eligible to receive holiday pay.

To receive holiday pay, an eligible employee must be at work or taking an approved absence on the work days immediately preceding and immediately following the day on which the holiday is observed. An approved absence is a day of Paid Time Off (PTO) or paid short-term absence. If an employee is absent on one or both of these days because of an illness or injury, WEDC may require verification of the reason for the absence before approving holiday pay.

WEDC recognizes that some employees may wish to observe, as periods of worship or commemoration, certain days that are not included in WEDC's regular holiday schedule. Accordingly, employees who would like to take a day off for those reasons may do so if it will not unduly disrupt WEDC's business and if the employee's supervisor approves. Employees may use accumulated days of PTO for these occasions, or they may take the time off as an unpaid, excused absence.

Employees may take up to 8 hours paid holiday on one day of their choice throughout the calendar year. The Personal Holiday must be approved in advance. The eligibility requirements for holidays apply to the Personal Holiday.

## 7.3. Family Medical Leave Act

WEDC complies with the requirements of the federal and Wisconsin Family and Medical Leave Acts (FMLA). Federal and Wisconsin FMLA leave will run concurrently to the extent provided by law.

To be eligible for federal FMLA leave, the employee must (1) have been employed by WEDC for at least 12 months<sup>1</sup>; (2) have worked at least 1,250 hours during the 12-month period immediately preceding the commencement of the requested leave; and (3) be employed at a work site where 50 or more employees are employed by WEDC within a 75-mile radius.

To be eligible for Wisconsin FMLA leave, the employee must have been employed by WEDC for more than 52 consecutive weeks and compensated for 1,000 hours during the 52-week period immediately preceding the commencement of the leave.

WEDC will inform employees requesting leave whether they meet the basic eligibility requirements for state and federal FMLA leave. At the same time, WEDC will inform the employee of any additional information required to verify that the need for leave is for a FMLA-qualifying reason and employee's rights and responsibilities while taking FMLA leave.

## 7.4. Types of Leave and Amount of Leave Available:

Generally, federal law allows eligible employees to take up to 12 weeks of unpaid leave in a 12-month period for one or any combination of the following reasons:

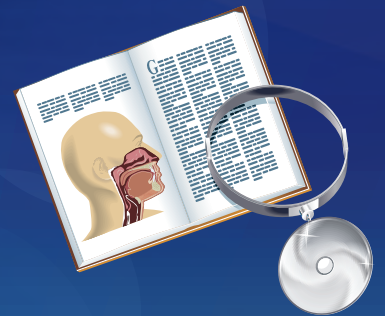
- Family leave for the birth of an employee's child or because of the placement of a child with the employee for adoption or foster care;<sup>2</sup>
- Family leave to care for a child, spouse or parent suffering from a serious health condition;<sup>3</sup>
- Medical leave for an employee to care for his/her own serious health condition; and
- To address a qualifying exigency arising out of an employee's spouse's, child's, or parent's active-duty deployment or call to active duty deployment to a foreign country.

<sup>1</sup>Periods of employment preceding a 7-year break in service do not count toward the 12 months of employment unless the break in service was due to National Guard service or Reserve Military service, or where otherwise provided under written agreement.

<sup>2</sup>Such leave must generally be completed within 12 months of the birth or placement.

<sup>3</sup>A "serious health condition" is an illness, injury, impairment or physical or mental condition that involves either an overnight stay in a medical care facility or continuing treatment by a health care provider. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least 2 visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

<sup>4</sup>Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.



However, the federal FMLA does not provide for a full 12 weeks of leave for all types of qualifying exigencies.<sup>4</sup>

Further, employees are entitled to take up to 26 weeks unpaid leave to care for the employee's spouse, child, parent or next of kin who is a covered service member that incurs or aggravates a serious illness or injury while in the line of duty on active duty.<sup>5</sup> This leave is available only during a single 12-month period and is available on a per-covered service member, per-injury basis. In certain instances, this leave may be combined with all other FMLA leaves, limiting the employee's FMLA leave entitlement for all purposes to no more than a total of 26 weeks of leave during a single 12-month period.

Wisconsin law allows employees to take the following leaves in a calendar year:

- Up to six weeks of family leave for the birth or adoption of a child;<sup>6</sup>
- Up to two weeks family leave to care for a child, spouse, domestic partner, parent or parent-in-law (including a domestic partner's parent) suffering from a serious health condition; and
- Up to two weeks medical leave for an employee to care for his/her own serious health condition.
- See Human Resources to determine whether a request for leave qualifies under one of the above categories.

## 7.5. Notifying WEDC of the Need for Family or Medical Leave:

### Requesting Leave

In all instances, WEDC will require an eligible employee to submit a completed Request for Family and Medical Leave Form to Human Resources. Forms are available in the Human Resources Division.

### Timing of Request for Leave

Generally, if the need for FMLA is foreseeable, an employee's request for FMLA leave should be submitted as far in advance as possible, and no later than 30 days before the leave is expected to commence. If the approximate timing of the need for leave is not foreseeable, employees should give notice of the need for

<sup>7</sup> A "covered service member" is a service member who incurs (or aggravates) an illness or injury in the line of duty on active duty that renders the service member medically unfit to perform the duties of his or her office, grade, rank or rating. A covered service member must also be: (1) undergoing medical treatment, recuperation or therapy; (2) otherwise in outpatient status; (3) otherwise on the temporary disability list, or (4) a veteran undergoing medical treatment, recuperation or therapy for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation or therapy.

<sup>8</sup> An employee must request family leave that commences no earlier than 16 weeks before the estimated birth or placement for adoption or foster care and no later than 16 weeks after the actual birth or placement.



leave as far in advance as practicable. Notice of leave for a qualifying exigency must be provided as soon as practicable, regardless of how far in advance such leave is foreseeable.

If the employee is capable of complying with WEDC's normal call-in and reporting procedures or arranging for WEDC to receive timely notice of the employee's absence, and fails to do so, WEDC may deny or delay the FMLA leave.

### **Certification of the FMLA-Qualifying Need for Leave:**

WEDC requires employees to submit a completed Certification Form verifying the need for FMLA leave. The specific form required will depend upon the reason for the leave request; however, it will be one of the following, all of which are available in Human Resources.

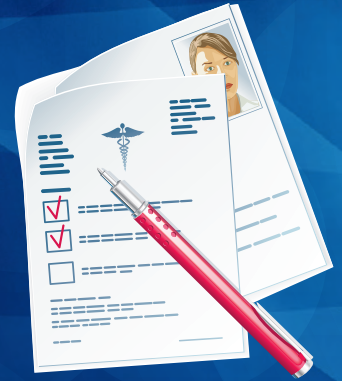
- Certification of Health Care Provider for Employee's Serious Health Condition Form
- Certification of Health Care Provider for Family Member's Serious Health Condition Form
- Certification for Serious Injury or Illness of Covered Service member for Military Family Leave Form
- Certification of Qualifying Exigency for Military Family Leave Form

The applicable Certification Form must be completed by the appropriate individual (the treating health care provider for a serious health condition; an authorized health care provider in the case of a serious illness or injury of a service member; the employee for a qualifying exigency). Employees must return the Certification Form to Human Resources within 15 calendar days after the date of WEDC's request. If an employee cannot comply with this deadline, the employee must contact Human Resources at 201 W. Washington, Madison, WI 53703 and request an extension prior to the date the form is due. WEDC has complete discretion on whether an extension will, in fact, be granted. Failure to return the form in a timely manner and/or request an extension may result in the denial of the employee's FMLA leave request.

### **Additional Certifications of Serious Health Conditions:**

If WEDC has a reason to question the validity of a medical certification of a serious health condition of the employee or the employee's family member, an employee may be required to provide a second certification from a health care provider selected and paid for by WEDC. If the second opinion differs from the first, a third opinion may be required. The health care provider for the third opinion must be mutually chosen by the employee and WEDC and paid for by WEDC. The third opinion, by law, is binding on all parties.

Periodic recertification and annual certifications to verify that an employee's or employee's family member's serious health condition is ongoing may be required as provided by the law. Failure to provide this certification within 15 days of a request will result in the delay or denial of the leave.





### **Designation of FMLA Leave:**

WEDC will provide employees a Designation Notice informing employees whether the leave will be designated as FMLA-protected and, if so, the amount of leave counted against the employee's leave entitlement.

### **Use of Paid and Unpaid Leave:**

Under Wisconsin's FMLA, an employee entitled to family or medical leave may substitute (use), for any leave requested under the Act, any other paid or unpaid leave which has accrued to the employee. WEDC will not require substitution when an employee is taking leave under Wisconsin's FMLA.

Under federal law, the employee may elect, or WEDC may require, that the employee substitute accrued vacation, disability, personal or other WEDC-provided paid leave during periods of federal FMLA leave. However, WEDC may prohibit the substitution of any accrued paid leave where the employee does not otherwise meet the conditions for use of such leave.

When paid benefits are substituted for the otherwise unpaid time, the employee is using the benefits concurrently with FMLA leave and those benefits will not be available to the employee later. Similarly, substitution or use of paid leave does not extend the amount of FMLA leave available to an employee.

As appropriate, employees on medical leave (for the employee's own serious health condition) may simultaneously be eligible for and receive disability or workers' compensation benefits. In such cases, disability and workers' compensation leave of absences will run concurrently with this family and medical leave.

### **Intermittent and Reduced Schedule Leave:**

Intermittent leave or reduced schedule leave will be permitted when it is medically necessary and in the case of qualified exigencies.

Intermittent leave and reduced schedule leave for planned medical treatment should be scheduled with minimal disruption to the employer's operations.

If leave is taken on an intermittent or reduced schedule basis, the employee may, in some cases, be temporarily transferred to another job with no reduction in pay and benefits if the new position would better accommodate recurring periods of leave than the employee's regular position.

### **Benefit Continuation during Leave:**

Employees may elect to continue group health insurance coverage while on leave in the same manner as if the employee continued working. Employees will be required to continue to pay their portion of the premium as if they had continued working. Other employment benefits, such as group life insurance, etc., will

also be continued during the leave, so long as the employee continues to pay any required contribution.

Use of FMLA leave will not result in the loss of any employment benefit that accrued to an employee prior to the start of an employee's FMLA leave.

### **Rights upon Return from Leave:**

An employee who takes leave under this policy will be reinstated to the same position or an equivalent position upon completion of the leave. However, the law provides that an employee has no greater rights upon a return from leave than the individual would have had if he/she had continued to work. Therefore, an employee may be affected by a layoff or other job change if the action would have occurred had the employee remained actively at work.

### **Fitness for Duty:**

If leave has been taken due to the employee's own serious health condition, the employee must provide a Fitness for Duty Certificate to Human Resources before the employee returns to work. Failure to provide a Fitness for Duty Certificate may result in the delay or denial of job restoration. Fitness for Duty Certificates are available in Human Resources.

### **Periodic Reports and Intent to Return to Work:**

While on leave, employees are requested to report periodically to WEDC regarding their status and their intent to return to work. Any changes in status that would affect the employee's estimated return to work date needs to be reported immediately to Human Resources and the employee's supervisor.

### **Extensions of Leave:**

An employee is expected to return to work upon expiration of an approved leave. An employee needing an extension of an approved leave must notify Human Resources and the employee's supervisor of the need for the leave extension promptly after learning of the need for the extension.

A request for an extension must be in writing and accompanied by any required forms prior to the expiration of the original leave. WEDC does not guarantee an extension will be granted, and the continuation of benefits, substitution of other paid leave, and job availability may change if an extension is granted.

This procedure provides an introduction to the rights provision of the Family and Medical Leave laws. Questions employees may have about this law should be directed to Human Resources at 201 W. Washington Avenue, Madison, WI 53703.



## 7.6. Extended Absence and Conditional PTO Schedule and Definitions

The purpose of the Schedule is to clarify general rules for leave usage during extended absences, and the Schedule provides an order of progression for the utilization of different leave coverages. With the exception of conditional PTO, as each coverage is exhausted, the next coverage may be an option. In the case of conditional PTO, up to 40 hours (5 days) of PTO may be reserved for use upon return to work.

### Extended Absence and Conditional PTO Schedule and Definitions

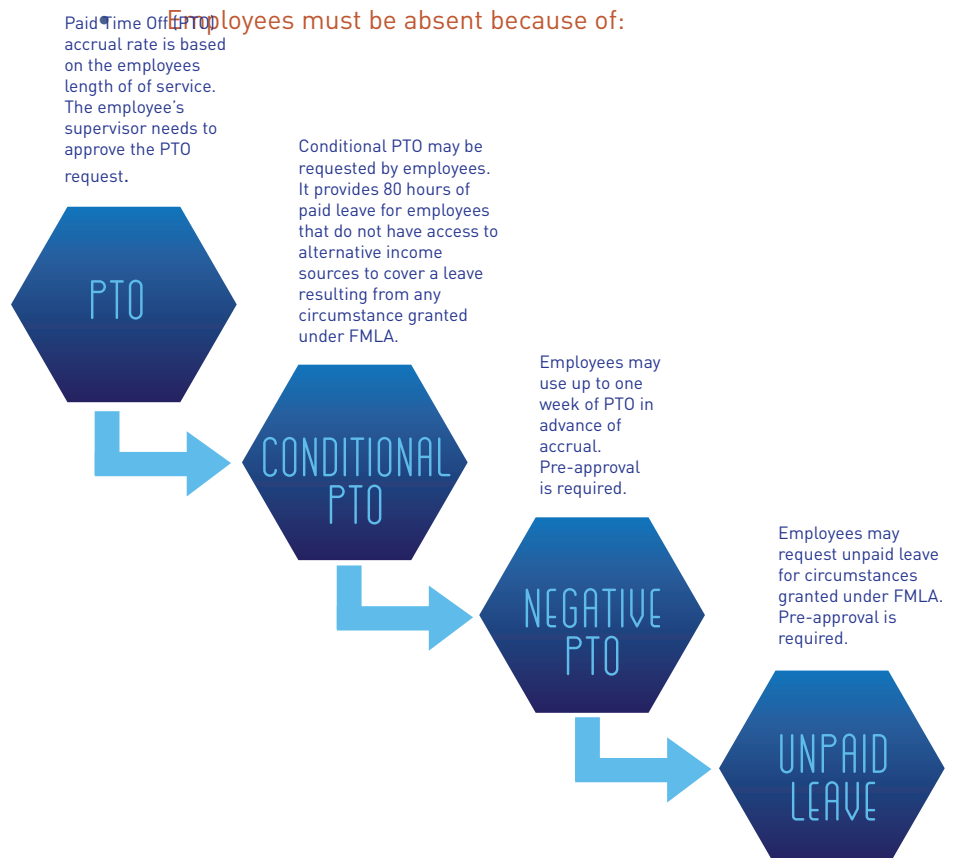
Former Commerce Employees – please see the Human Resources division for information pertaining to SHICC and Sick Leave.

## 7.7. Conditional Paid Time Off

The purpose of Conditional Paid Time Off is to help eligible employees balance work and family obligations while providing income security for employees who do not have alternative options.

The policy provides up to 80 hours of paid leave for employees that do not have access to alternative income sources to cover a leave resulting from circumstances that fall within the eligibility guidelines. Leave would be paid at 100% of employee's salary.

Eligibility will be determined with the following guidelines:



- Family leave for the birth of an employee's child or because of the placement of a child with the employee for adoption or foster care;
- Family leave to care for a child, spouse or parent suffering from a serious health condition;
- Medical leave for an employee to care for his/her own serious health condition; or
- To address a qualifying exigency arising out of an employee's spouse's, child's, or parent's active duty deployment or call to active duty deployment to a foreign country.

Employees eligible for Income Continuation cannot receive Conditional Paid Time Off concurrently with Income Continuation Benefits. Employees receiving worker's compensation would be subject to additional case-specific request requirements.

Employees must be out of work for five or more cumulative days to be eligible.

Employees must follow the Extended Absence and Conditional PTO Schedule.

Employees will receive 100% compensation for 80 hours of absence. Please contact Human Resources for additional information about applying for Conditional Paid Time Off.

## INFORMATION TECHNOLOGY

### 8.1. Acceptable Use

WEDC information technology resources are provided to authorize users to facilitate the efficient and effective performance of their duties. The use of such resources imposes certain responsibilities and obligations on users and is subject to WEDC policies and applicable state and federal laws. It is the responsibility of users to ensure that such resources are not misused.

#### Ownership of Messages, Data and Documents

WEDC systems and all information contained therein are WEDC property. Information created, sent, received, accessed or stored using these systems is the property of WEDC. All data, messages and documents created for WEDC business must be contained within approved WEDC systems.



## No Presumption of Privacy

Users should have no expectation of privacy in the use of WEDC systems' resources. Information stored, created, sent or received via WEDC systems is potentially accessible under the Wisconsin Open Records Law. WEDC reserves the right to monitor and/or log all activities using WEDC's systems without notice. This includes but is not limited to correspondence via email and other forms of electronic messaging.

## User Responsibilities

While conducting WEDC business using WEDC resources, users must identify themselves clearly and accurately in all electronic communications. Concealing or misrepresenting a name or affiliation is prohibited.

Users must take all necessary steps to prevent unauthorized access to confidential information. Please see Information Security and Privacy for further details.

## Inappropriate Usage

Inappropriate usage of WEDC's systems includes (but is not limited to) actual or attempted usage of information technology resources for:

- Conducting private or personal for-profit activities. This includes use for private purposes such as business transactions, private advertising of products or services, and any activity meant to foster personal gain;
- Conducting unauthorized not-for-profit business activities;
- Conducting any illegal activities as defined by federal, state and local laws or regulations;
- Creating, accessing or transmitting sexually explicit, obscene or pornographic material;
- Creating, accessing or transmitting material that could be considered discriminatory, offensive, threatening, harassing or intimidating;
- Creating, accessing or participation in online gambling;
- Conducting WEDC business through any personal email account or account other than WEDC supplied email. Any exception to this practice must be documented;
- Infringing any copyright, trademark, patent or other intellectual property rights;
- Performing any activity that could cause the loss, corruption of or prevention of rightful access to data or the degradation of system/network performance;
- Conducting any activity or solicitation for political or religious causes;

- Unauthorized distribution of WEDC data and information;
- Attempting to subvert the security of any network resources;
- Using another employee's access for any reason unless explicitly authorized;
- Executing any form of network monitoring which will intercept data not intended for the employee, unless this activity is a part of the employee's normal duties;
- Divulging passwords or other account credentials to any other person, whether inside or outside of WEDC, with the exception that a manager may provide his or her assistant with passwords if necessary for performing the manager's job. See Section 8.2 (Passwords) for further information;
- Using a WEDC email address or other account credentials for posting opinions on Internet forums, unless posting is in the course of business duties;
- Attempting to modify or remove computer equipment, software or peripherals without proper authorization;
- Exporting software, technical information, encryption software or technology in violation of international or regional export control laws;
- Attempting to libel or otherwise defame any person; and
- Connecting personally owned hardware or installing and/or using non-WEDC licensed software.

## Personal Use

WEDC systems are intended for primarily business purposes, but limited (incidental and occasional) personal use may be permissible when it does not:

- Interfere with work responsibilities or business operations;
- Involve interests in personal or outside business and/or other non-authorized organizations and activities such as selling or soliciting personal property/items, promoting commercial ventures or charitable, religious or political activities;
- Violate any of the standards contained in this code or procedures; or
- Incur costs to WEDC.

## 8.2. Passwords

WEDC's Password Policy establishes the rules for creating, distributing, safeguarding, terminating and reclaiming of WEDC user authentication mechanisms.



## Responsibilities:

- Employees must not divulge account passwords to anyone.
- Security tokens (e.g. Access Cards and RSA Keys) must be returned on demand or upon termination of the relationship with WEDC.
- Employees must not leave computing devices unattended without enabling a password-protected screensaver or logging off of the device.
- If the security of a password is in doubt, the password must be changed immediately and the IT Division must be notified.

## Standards:

- Passwords should be changed at least every 90 days.
- Passwords should not be changed more than once per day.
- Passwords for non-mobile devices must have a minimum length of 8 alphanumeric characters.
- Passwords for non-mobile devices must contain any 3 of the following 4 items: uppercase letter, lowercase letter, number or special character.
- Numeric PINs/passwords on mobile devices must have a minimum length of 4 numeric characters.
- Numeric PINs/passwords on mobile devices must not be easy to guess or contain repeating numbers.
- Passwords must not be reused for a period of nine change cycles.
- Writing passwords down is discouraged. However, it is permissible to keep passwords for infrequently accessed accounts in written format as long as they are stored in a secured location.
- The use of a passphrase is highly encouraged. A longer passphrase is easier to remember and more secure than a single word. An example of a passphrase is "MydogSamisAwesome!" or "WhattimeisLunch?"
- Passwords must not be easy to guess and should be set using the following standards:
  - Not be the specific phrases "MydogSamisAwesome!" or "WhattimeisLunch?" as these are examples;
  - Not be your username;
  - Not be your name;
  - Not be family member names;
  - Not be your nickname;



- Not be your Social Security number;
- Not be your birthday;
- Not be your license plate number;
- Not be your pet's name;
- Not be your address;
- Not be your phone number;
- Not be the name of your town or city;
- Not be the name of your division;
- Not be obscenities;
- Not be technical terms;
- Not be school names, school mascot or school slogans;
- Not be any information about you that is known or is easy to learn (favorite food, color, sport, etc.);
- Not be any popular acronyms; and
- Not be single words that appear in a dictionary.
- The IT Division may require password changes at any time.

### 8.3. Mobile Device Management

WEDC provides guidelines for the proper use of mobile devices, such as tablets and smartphones, in order to protect the confidentiality of sensitive data, the integrity of data and applications, and the availability of services.

- Employees using mobile devices that access WEDC systems must acknowledge this security policy and the associated procedures before gaining access to corporate services using mobile devices.
- All mobile devices accessing WEDC systems, whether personally owned or supplied by WEDC, must be enrolled in the WEDC mobile device management system,<sup>9</sup> and adhere to the security standards incorporated in that system.
- Whenever possible, business communications should be conducted through WEDC phone numbers and WEDC email accounts so that records of these transactions are maintained.
- Employees must abide by the terms of the Section 8.1 Acceptable Use when using a personally owned mobile device to access network or Internet resources through the WEDC wireless network.

<sup>9</sup>At time of drafting, mobile device management system is MaaS360.





- The use of a camera is strictly prohibited in areas where privacy would be expected.
- Devices accessing WEDC systems will be erased (wiped) if the device passcode is entered incorrectly 10 times consecutively.
- Employees must take all reasonable and prudent measures to physically secure mobile devices that are connected to WEDC systems.
- Lost, stolen or replaced devices must be reported to the WEDC IT Division immediately.
- WEDC may reimburse for data charges, data overage charges, taxes or fees when eligible in accordance with the IT Division's bring-your-own-device procedure. Employees must consult with their wireless provider regarding the appropriate usage plan.
- Only personal devices that meet IT Division standards will be accepted. No "jailbroken" or "rooted" devices will be eligible for use with the WEDC systems.
- Capabilities of the mobile device management system, such as location monitoring, application visibility and hardware feature management, will not be accessed by IT staff unless requested by WEDC Human Resources, Chief Legal Counsel, the CEO, or the COO.
- The IT division will support the connection of mobile devices to corporate resources. On personally owned devices, IT will not support hardware issues or non-corporate applications.
- When employees wish to stop accessing WEDC systems on mobile devices; are separated from their position; or acquire a new personal device, all WEDC data will be wiped from the device(s). WEDC supplied phone numbers will be disassociated from the device.
- Mobile device use while driving:
  - Employees are strongly encouraged to defer cell phone conversations until the vehicle can be brought to a full stop in a safe location.
  - Employees may engage in brief conversations while driving only when safety is not compromised.
  - At no time is it acceptable to use a mobile device while moving to read information or take notes.
  - The use of mobile devices is prohibited in heavy traffic situations, an area of road construction or when road conditions are poor.



## 8.4. System Access on Personal Devices

WEDC provides guidelines for employees who wish to connect personally owned wireless devices with WEDC's email system.

- Employees' personal devices must adhere to mobile email password standards, including the use of a screen lock passcode and enrollment in the WEDC mobile device management software.
- Employees' personal devices may be wiped of all personal applications, files and data if required for security reasons. If the device passcode is entered incorrectly 10 times consecutively, the device will automatically be wiped.
- If an employee's personal device is lost, stolen or replaced, the employee must notify the IT Division immediately. For security reasons, a lost or stolen personal device will be completely wiped.
- WEDC holds no liability for loss of personal applications, files or data if a device is completely wiped.
- WEDC holds no liability, nor will it reimburse, for any data charges, data overage charges, taxes or fees associated with use of WEDC data on an employee's personal device. The employee will consult with his or her wireless provider regarding the appropriate data plan. WEDC may reimburse for data charges, data overage charges, taxes or fees when eligible in accordance with IT Division's bring-your-own-device procedure.
- When an employee adds WEDC email to his or her personal device, the IT Division will have access to the following information on the device:
  - The location of the personal device. This technology will only be used in accordance with the mobile device management section.
  - The device's security and network settings, as well as installed applications. This will be used to allow the IT Division to adjust the device's security settings.
- Only personal devices that meet IT Division standards will be accepted. No "jailbroken" or "rooted" devices will be eligible for use with WEDC's systems.
- When an employee wishes to stop using WEDC email on his or her personal device, is separated from his or her position or receives a new personal device, all WEDC data will be wiped from the personal device.





## 8.5. Information Security and Privacy

WEDC provides guidelines to define security controls and requirements for information handling and to clearly communicate information privacy expectations to employees.

Security standards, which define these security controls and requirements, may include: document marking/labeling, release procedures, privacy, printing protection, computer display protections, storage requirements, destruction methods, physical security requirements, access controls, backup requirements and incident reporting procedures.

- Electronic files created, sent, received or stored on systems owned, leased, administered or otherwise under the custody and control of WEDC are not private and may be accessed by WEDC at any time without knowledge of the resource user or owner.
- WEDC IT employees with administrative access privileges will only access files in accordance with their stated job duties to analyze, maintain and secure WEDC information. Casual browsing of WEDC files, information and the like is not permitted under any circumstance.
- Employees must report any weaknesses in WEDC computer security, or any incidents of possible misuse or violation of this policy, to the WEDC IT or Legal and Compliance Division.
- Employees must not attempt to access any data or programs contained on WEDC systems for which they do not have authorization or explicit consent.
- Employees must not leave computing devices unattended without enabling a password protected screensaver or logging off of the device.
- Employees undertaking international travel must take special care to safeguard WEDC information and property. Processes and procedures referred to in the Information Security during International Travel procedure must be strictly adhered to.
- Release of WEDC information must be in compliance with the Open Records and other operational procedures.
- Storage and destruction of documents must be in compliance with Section 1.15 Records Retention and Document Management section.
- Document marking/labeling must be in compliance with Section 1.15 Records Retention and Document Management section.
- The WEDC IT Division will maintain a system to track printing usage to the extent possible. The log will be maintained for a period of at least 180 days.
- When printing to shared printers/copiers, the default printing workflow will require the employee to login to the printer to receive printed materials.

This system will prevent abandoned print jobs.

- Outside parties are not permitted to attach non-WEDC computers and other devices to the WEDC internal network. Non-WEDC USB memory sticks may not be inserted into WEDC computers or other devices. WEDC provides a guest Wi-Fi network, which is separate from the internal network, for guest Internet access.
- A wide variety of third parties have entrusted their information to WEDC for business purposes, and all employees at WEDC must safeguard the privacy and security of this information to the extent possible. Customer account data is accordingly confidential and access will be strictly limited based on business need for access.
- WEDC will develop and maintain a system of data classification to provide a foundation to protect information according to value and/or risk. The system will allow for a graduated classification schema to identify personally identifiable, confidential and other sensitive data. The system will also encompass incident reporting and response procedures.
- The WEDC IT Division will maintain a data backup system to provide for daily, off-site backup of operational data. Data in this backup system will be maintained for the purposes of system restoration, as opposed to records retention.
- The IT Division will maintain a system to unlock locked accounts.

## 8.6. Data Sharing and Confidentiality

WEDC provides guidelines for data sharing and whether a formal contract is needed to clearly document what data are being shared and how the data can be used. Although each data sharing agreement will be different, the standards listed below should be addressed in each agreement.

Data sharing with a state or federal agency or a state public or private organization will be subject to a case-by-case evaluation of whether a data sharing agreement is necessary.

### Standards:

**Applicability** – A data sharing agreement must be executed when the data to be shared are nonpublic, confidential and sensitive, or are otherwise subject to restrictions on their use, such as state or federal law. An agreement should also be executed if the data provider wants to impose time restraints on the use of the data.

**Period of agreement** – Clearly define when the provider will give the data to the receiver and how long the receiver will be able to use the data. Once the receiver agency no longer has the right to use the data, state what will happen to the data (e.g., returned to the provider or destroyed).



Intended use of the data – State, as specifically as possible, how the receiver will use the data. Clearly define studies to be performed, questions to be asked and expected outcomes. State if the receiver may use the data to explore additional research questions without the approval or consent of the provider.

Constraints on use of the data – List any restrictions on how the data or data findings can be used (e.g. sharing, publishing or disseminating data findings and reports). Clearly state if the reports created belong to the receiver or the provider.

Data confidentiality – Describe the required processes that the receiver must use to ensure that data remain confidential. Because data may contain information that can be linked to individuals, it is important to put safeguards in place to ensure that sensitive information remains private. Personal data should remain confidential and should not be disclosed verbally or in writing to an unauthorized third party, by accident or otherwise. Personnel who breach data confidentiality will be subject to disciplinary actions.

Data security – Describe the methods that the receiver must use to maintain data security. Clearly define who will have what level of access to the data at the receiver agency.

Methods of data sharing – Identify the way in which data will be transferred from the provider to the receiver whether physically or electronically. If data are to be sent over the Internet, a secure connection and data encryption is necessary.

Financial costs of data sharing – Clearly state who will cover the monetary costs of sharing the data.

## FINANCIAL ADMINISTRATION

### 9.1. Awards Administration

To ensure a proper and thorough review of all awards, WEDC has implemented an awards administration process, an overview of which is provided here. It is through this process that WEDC exercises its due diligence in administering funds.

#### Award Approval:

- All potential awards are first sent to underwriters for initial analysis and creation of a staff review, before being reviewed by the Senior Financial Underwriting Director. Staff reviews, underwriting checklists, and background checks, which will be performed on all awardees with the exception of local units of state government, are valid for a maximum of 6 months. The size of the award determines the entities required for approval (see below). These multiple levels of review ensure that all potential awards are thoroughly and rigorously analyzed and holds WEDC to the highest standard of accountability. Likewise, any substantive amendments to awards must go through the approval process in place at the time of the amendment.



- Pursuant to the motion enacted by the Board of Directors on December 13, 2016, the Awards Administration Committee must approve any amendment to an award under which jobs must be retained or created and there has been reduction in the awardee's statewide employment. This only applies to awards for which the application was received after February 1, 2017.
- WEDC uses the tiers identified in the following chart to determine the entity authorized to approve the award. Each staff review will include a listing of all prior awards with WEDC. To determine the level of approval needed for the staff review, WEDC will calculate the aggregate amount issued to the awardee in the award category (tax credits, loans, grants) addressed in the staff review. If the award is made to a local unit of state government, the approval will be based on the award amount identified in the staff review and not the aggregate amount. The following standards should be considered when calculating the aggregate amount:
  - If a loan or grant has not been fully disbursed, but the company still has time to request the remaining funds, the entire loan or grant (even what has not yet been disbursed) counts towards the aggregate.
  - If a loan has been fully disbursed and is now being paid back, the principal and interest counts towards the aggregate.
  - For grants and tax credits, if the company is still in its required reporting timeframe to us, the original grant or tax credit award will count towards the aggregate.

<b>SENIOR FINANCIAL UNDERWRITING DIRECTOR</b> <ul style="list-style-type: none"> <li>• Loans up to \$150,000</li> <li>• Grants up to \$25,000</li> <li>• Tax Credits up to \$125,000</li> <li>• For awards in this tier, an Underwriting Checklist may serve in place of a Staff Review</li> </ul>	<b>CEO</b> <ul style="list-style-type: none"> <li>• Loans between \$150,001 to \$500,000;</li> <li>• Grants between \$25,001 and \$500,000;</li> <li>• Tax Credits between \$125,001 and \$3,500,000;</li> <li>• Key Strategic Partnership Contracts;</li> <li>• All Technical Assistance Programs; and</li> <li>• All Bonding Authority Awards</li> </ul>
<b>AWARDS ADMINISTRATION COMMITTEE</b> <ul style="list-style-type: none"> <li>• Loans between \$500,001 to \$1,000,000;</li> <li>• Grants between \$500,001 and \$2,000,000; and</li> <li>• Tax Credits between \$3,500,001 and \$10,000,000.</li> <li>• Specified amendments where there has been a job reduction.</li> <li>• Exercise an option to convert a loan into an equity investment</li> </ul>	<b>FULL BOARD OF DIRECTORS</b> <ul style="list-style-type: none"> <li>• Loans over \$1,000,000;</li> <li>• Grants over \$2,000,000;</li> <li>• Tax Credits over \$10,000,000;</li> <li>• All Enterprise Zone Designations, regardless of amount.</li> </ul>

- The CEO may, under urgent circumstances in which not acting expeditiously may result in WEDC losing the opportunity to contract with a business for the benefit of Wisconsin, approve an award request, regardless of amount, without the prior approval of the AAC or the Board of Directors. The CEO may only exercise this authority after obtaining approval to do so from the CFO and the AAC's Chairperson, and if the award in question does not present any exceptions to the mandatory requirements in the relevant program guideline. This authority does not apply to Enterprise Zone Designations. Upon the CEO exercising this authority, a checklist or staff review must be completed by an underwriter and flow through the standard approval process. A summary report of the exercise of this authority and award approval must be submitted to the AAC and the Board of Directors as soon as possible, but no later than thirty (30) days after the CEO's exercise of authority.

### **Extension of Credit to Past Due Borrowers:**

Additional credit may be extended to recipients with delinquent loans for the purpose of paying principal or interest payments only with the approval of the AAC. The AAC may only approve such loans if there is a certain, identifiable source of repayment for the loan and repayment is not solely dependent on collateral available or to be pledged.

### **Extension of Financial Support to Borrowers with Convertible Notes:**

Recipients of WEDC convertible notes or warrants are not eligible for additional WEDC financial awards such as loans, tax credits, grants or other assistance that directly impacts a company's financial status. Recipients of WEDC convertible notes are eligible for WEDC non-monetary and indirect assistance, such as technical assistance and Qualified New Business Venture certification.

## 9.2 Reporting Suspected Misrepresentations by WEDC Awardee Applicants and Recipients

Outlined below is WEDC's process for addressing suspected misrepresentations by WEDC awardee applicants and recipients.

### Prior to Award Approval and Contract Execution

WEDC staff performs due diligence checks on award applicants as part of its standard underwriting procedures. [See Background Checks Procedures and Checklist.] If a discrepancy is noted between the information reported to WEDC by the applicant and the information found in the background checks, the next step will follow one of two paths:

1. WEDC Staff will contact the applicant to discuss the discrepancy. If it can be resolved satisfactorily, staff will continue the review process.
2. If the discrepancy cannot be resolved with the applicant, WEDC will deny the application for assistance. If the Chief Executive Officer determines the discrepancy could have, if an award was made, resulted in material loss to the State, the appropriate authorities will be contacted. The CEO will notify the Board of Directors in the event a referral is made to authorities.

Compliance staff will periodically monitor compliance with these processes.


### After Contract Execution

If a suspected misrepresentation is discovered after a contract is executed, WEDC will take the following steps:

1. WEDC staff will determine whether there is a discrepancy between the information reported to WEDC and the facts discovered during underwriting. The Senior Financial Underwriting Director and underwriter who performed the underwriting will make this determination about the discrepancy. This determination will be forwarded to the CFO.
2. The CFO will review the particular circumstances to determine:
  - a. As best as possible, whether the discrepancy was intentional; and
  - b. Whether the discrepancy is a misrepresentation and will, or could, result in material loss to the State.

The CFO will document this evaluation and forward to the Chief Legal Officer. The Chief Legal Officer will develop a recommendation based on this evaluation. The recommendation will be forwarded to the Chief Executive Officer for approval.



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3. If approved by the Chief Executive Officer, WEDC will take the final step of referring the matter to law enforcement officials. The Chief Legal Officer will handle these referrals. The CEO will notify the Board of Directors in the event a referral is made.
  4. The CFO and Chief Legal Officer will undertake necessary steps to enforce any applicable penalties if such are appropriate as a separate legal action from the criminal action.
  5. If the matter is referred to law enforcement officials, an indicator appearing in a prominent area on the account and any related accounts and opportunities, where appropriate, in WEDC's Customer Relationship Management software<sup>[1]</sup> will be added to this effect.

<sup>1</sup>At time of drafting, CRM is Salesforce.com

## 9.3. Procurement

WEDC follows procurement procedures for the purchase of goods and services in compliance with Wis. Stat. §§ 238.09, and which reflect the four major concepts that underlie the state's procurement system: competition, consistency, integrity and openness. All vendors are required to disclose in writing any potential conflicts of interests. The particular procedure used will depend on the value of the contract as detailed in the procurement procedures document.

The procurement procedures do not apply to investments, employee benefits, loans, loan guarantees, grants, tax credits or other disbursements of economic and community development resources, including those to WEDC's Key Strategic Partners. Additionally, the procurement procedures do not apply to leases for office space; travel-related expenses; subscriptions (not including software licenses); membership fees; sponsorships; professional development; business meals; recruiting firms; temp agencies; printing, copying and mailing services; advertising; stock imagery and stock office supplies.

## 9.4. Travel and Expense Reimbursement

This section outlines the types of expenses that would be allowable for travel, meals and when expenses are paid out of pocket by an employee. Allowable expenses may be paid through employee credit cards, employee reimbursement or accounts payable. This section is not intended to replace section 9.2 (Procurement) and corresponding procedures, but rather to provide additional guidance.

WEDC will only pay for expenses that are incurred for ordinary, reasonable and necessary business expenses. Employees should incur the lowest reasonable costs and avoid impropriety. Expenses deemed to be lavish or extravagant will not be reimbursed, or employees will be required to repay WEDC if expenses were paid via a corporate credit card. Employees found violating this policy may be subject to discipline up to and including termination.

Travel Status is defined as business needs that require an employee to:

- Travel more than 50 miles one way (most direct route) from either office or home, whichever is closer, and is required to be away more than 10 hours.





## Allowable Expenses

### Transportation

Generally, transportation costs such as mileage, vehicle rental, taxi service, bus, train or airfare, tolls and parking incurred for necessary business travel are allowable expenses, subject to the following guidelines:

- Travelers are expected to obtain the lowest available cost that reasonably meets business travel needs.
- Travelers are encouraged to make reservations at least 30 days in advance to avoid premium pricing.
- First-class tickets, early check-in fees and upgrade charges are not reimbursable. Employees wishing to travel in this manner will be obligated to pay for the additional cost of the upgrade. Proof of base cost is required in order to reimburse the base cost of travel. If economy fare is not available at the time of booking due to extenuating circumstances, supervisory approval will be needed prior to purchase.
- Employees traveling eight hours or more via airline may upgrade the airline ticket to economy class plus, but not business or first class.
- Employees may retain frequent flyer miles earned while traveling on WEDC business. (Travelers are encouraged to make reservations at least 30 days in advance to avoid premium pricing.) WEDC will only reimburse actual airfare costs; the use of frequent flyer miles for WEDC business will not be reimbursed.
- Baggage fees for up to two personal bags are allowable.
- It is expected that individuals incurring mileage costs must have a valid driver's license issued within the United States, as well as automobile insurance. Employees requesting mileage reimbursement are responsible for notifying WEDC if they do not have a valid driver's license and/or are not insured.
- Mileage reimbursement from (whichever distance is shorter) an employee's home or office, will be reimbursed based on the IRS mileage rate. Additionally, mileage reimbursements must meet a minimum threshold of five miles on any given day in order to submit for reimbursement.

### Lodging

Generally, the cost of overnight lodging (room rate and required fees and taxes only) will be allowable when in Travel Status. Lodging costs are limited to single occupancy expense.

The traveler is expected to stay at the lowest cost hotel that reasonably meets business needs. The traveler should utilize U.S. General Services Administration (GSA) government rate accommodations. GSA hotel rates cannot be exceeded without written documentation that a conference hotel was reserved, or the hotel



reserved did not exceed the conference hotel rate (if applicable), or the manager provides approval of the GSA rate being exceeded with an acceptable explanation and documentation as to why. Acceptable forms of documentation include the registration form or brochure confirming the room rate. Travelers should make reservations early enough to obtain conference pricing.

Employees' use of reservation sites (either direct or third party brokers) that require a prepayment, deposit, guarantee payment, or non-refundable payment will not be reimbursed until travel has been completed and proof of payment, in addition to documentation of travel, has been provided. In addition, WEDC will not reimburse employees for any cancellation or other fees incurred as it relates to this type of reservation. It is strongly recommended that employees do not make hotel reservations that require a deposit, guarantee payment, non-refundable payment, or prepayment prior to travel.

## Meals

Employee meals may be allowable expenses under the following circumstances:

- When an employee is in Travel Status as defined above, meals will be covered under per diem payment as outlined below.
- When in Travel Status, employees can request U.S. General Services Administration (GSA) per diem payment, including incidentals. Domestic per diem rates may be found on the GSA website for the travel location. Per diem rates for foreign travel may be found on the U.S. Division of State website. The GSA website provides meal rates for various locations, reduced amounts at 75% for the first and last day of travel, and an incidentals rate. Employees in Travel Status will receive only the per diem amount for meals. Tips and personal credit card fees on meals are included in meal per diem rates. It is expected that the per diem request would be reduced by any meals provided by other sources while traveling. Other sources may include: meals served on a plane, included in conference registration or hotel charge, or replaced by another business meal.
- When traveling between cities, the appropriate GSA per diem rate to use for that day is the GSA rate of the destination city. While in Travel Status, employees should not charge meals on their employee credit card, as the employee receives per diem payments.
- Tips, snacks or coffee will be considered to be included in the incidental rates. Tips provided for housekeeping services are also included in incidental per diem rates. Employees who provide tips for bellman services for three or more WEDC employees may request reimbursement beyond the incidental per diem rate. Employees may also request reimbursement beyond the incidental per diem rate for tips provided during international travel if international tipping requirements are significantly more than domestic tipping requirements.





- Costs beyond the per diem for purchasing bottled water when traveling internationally will also be allowed.
- Meal expenses incurred by an employee for the benefit of WEDC, such as working lunches, first day orientation, business meetings or special events are allowable and reimbursable.
- Working lunches are those considered to be offered for the benefit of WEDC and generally are only allowable when employees are expected to continue to work through their lunch period. In order for these to be reimbursed, preapproval by the department head or COO, CFO or CEO will be required.
- An employee's on-boarding experience and transition is an important time in their work life at WEDC. In order to facilitate an employee's first day schedule and begin to introduce them to their work teams, supervisors are encouraged to take their new employee out for lunch on their first day. WEDC will cover the reasonable cost of the meals for the employee, their supervisor and up to six other team members.
- Meetings with non-WEDC employees held over lunch to discuss WEDC business may be considered business expenses. In order to be considered allowable costs, employees must have the expense pre-approved in writing by the department head or CEO, COO or CFO. The preapproval should entail a review of the necessity for holding the meeting over lunch, the business purpose, individuals in attendance and intended lunch place. Preapproval for COO and CEO lunch meetings are not necessary. It is expected that business lunches will occur on an infrequent basis for individual employees.
- Meals may be considered allowable costs for certain special events, such as hosting companies for business attraction purposes, or for employee appreciation events. Meals to be covered under this category require preapproval of the CEO, COO or CFO.



### Other Travel Expenses

Other reasonable and necessary costs such as currency conversion, immunizations, passport fees or other transportation not specifically identified above may be considered allowable expenses if they are incurred solely as a result of WEDC required business travel. Reimbursement of these other travel-related costs must be approved by the employee's supervisor or the CFO and will only be reimbursed if they are for legitimate business purposes. If employees are unsure about whether a cost would be allowable, they should ask their supervisor, the Controller or the CFO prior to incurring the expense.

## Travel for Non-Employees

Reimbursement may be made to certain applicants for all or part of reasonable and necessary travel expenses actually incurred in connection with in person employment interviews. All reimbursement actions under this provision shall be documented in writing and approved by the Vice President of Human Resources or CFO and hiring manager.

## Business Prospects

It is the policy of WEDC to provide up to first-class accommodations on a case by case basis for foreign governmental delegations and foreign and domestic business executives who, at our invitation, visit Wisconsin to learn about our economy, state programs and business opportunities, or for Wisconsin business professionals seeking assistance from, or collaboration with, WEDC.

### In carrying out this policy the following guidelines apply:

- Lodging – Single rooms will be provided for each member of a visiting party. In addition, when deemed appropriate by WEDC, double accommodations will be provided when a spouse or partner accompanies an executive.
- Meals – WEDC will cover the cost of all meals consumed during the period of the visit. WEDC will cover the reasonable cost of beverages, including alcoholic beverages, consumed with the meals.
- Other Expenses – WEDC will provide transportation, as appropriate, within the state and may cover the cost of transportation to and from Wisconsin to the extent that travel is to the benefit of WEDC.
- Expenses of Hosting Staff – While hosting business prospects, WEDC employees will be reimbursed for meals in the amount comparable to the guests' meal expenses.
- Receptions – At the discretion of the CEO, COO or CFO, WEDC may pay for food and refreshments, including alcoholic beverages, at receptions sponsored by WEDC.
- Entertainment – The quality of life in Wisconsin is an important asset that the state has to offer. WEDC may pay for admission to appropriate cultural, recreational and entertainment events for WEDC visitors, business prospects and hosting staff.
- Other Costs – WEDC may pay for translators when required. WEDC may offer welcoming gifts such as fruit baskets, cheeses, candy or wine.

In addition, WEDC can pay for alcohol in relation to business meals and sponsored receptions when WEDC representatives are traveling out of state, if the purpose of the meal or sponsored reception is to assist WEDC in attracting businesses to the state of Wisconsin.



## Non-allowable Expenses

The following items may be associated with business travel and will not be paid by WEDC. These items are examples and do not comprise an exhaustive list:

- Airline club memberships
- Airline upgrades
- Alcohol, except as required under Business Prospects section above
- Child care, babysitting, house-sitting, or pet-sitting/kennel charges
- Commuting between home and the primary work location
- Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion
- Evening or formal wear expenses
- Haircuts and personal grooming
- Laundry and dry cleaning unless in Travel Status for five or more days
- Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment
- Personal entertainment expenses (except as allowed under the Business Prospects section above), including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs
- Travel accident insurance premiums or purchase of additional travel insurance
- Other personal related expenses
- Other expenses not directly related to the business travel
- In cases in which vacation time is added to a business trip, any additional vacation-related costs will be paid by the employee. Travel costs of spouse or other non-employees accompanying a WEDC employee will not be reimbursed.

## Other Expenses

Occasionally employees without a WEDC credit card may incur costs associated with their job, such as conference registration or miscellaneous supplies. These may be reimbursed through the expense process. It is the manager with budget authority and/or the supervisor's responsibility to ensure that these expenses serve a reasonable and necessary business purpose and that another method of payment could not be found. Expense reimbursement requires proof of payment; an unpaid invoice will not suffice. International travel for professional development must be pre-approved by the CFO or CEO.





## Sales Taxes

Prior to making a purchase, employees must inform the vendor that WEDC is exempt from Wisconsin sales tax. Employees are responsible for reviewing the purchase order or receipt to confirm that WEDC is not charged sales tax. Upon notification that an employee has been charged sales tax it is the Employee's responsibility to obtain a refund. Employees habitually not having sales tax removed for purchases may be subject to discipline and the sales tax may be deducted from the employee's reimbursement.

## Support, Review and Noncompliance

Unless covered by a per diem, all expenses are required to be documented with detailed receipts showing the amount, date, place, and type of expense. Employees should provide the business purpose, account numbers and conversion to U.S. currency, if applicable. Other support may include documentation such as computerized mapping for mileage. Expenses will be approved by another individual, who is typically the manager with budget authority, Controller or CFO. Employees are asked to turn in expense reimbursements and corporate credit card support documentation within 30 days. Expenses paid by the employee without itemized receipts generally will not be reimbursed.

Employees violating any portion of this policy may be personally liable for non-allowable expenses incurred and/or may be subject to discipline up to and including termination.

## Exceptions

Exceptions to this policy for employee expense reimbursement including any request for a travel advance will be reviewed by the CEO, COO or CFO. If possible, exceptions should be requested at least three business days in advance of incurring the expense.

# REQUIRED

All employees are required to acknowledge that you have read this Code of Ethics and Conduct by clicking this link [codeofethics](#). Please click the "mark complete" button.

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive economy. WEDC provides resources, operational support and financial assistance to companies, partners and communities in Wisconsin. WEDC achieves its mission through initiatives driven by five strategic pillars: business development; community and economic opportunity; strategic economic competitiveness; state brand management and promotion; and operational and fiscal excellence. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network.

Visit [InWisconsin.com](http://InWisconsin.com) to learn more.



201 W. Washington Avenue  
Madison, WI 53703

855-INWIBIZ  
[InWisconsin.com](http://InWisconsin.com)

## **COEC ADDENDUM**

### 1.15. Records Management

#### **Public Records**

WEDC is subject to public record laws. Wisconsin's public records laws provide the public with access to records maintained by WEDC, require that records be kept for a certain period of time and require that certain personally identifiable information is protected.

Any external requests for WEDC records must be handled by our Legal team. Questions should go to WEDC's Deputy Records Custodian.

A public record is any material on which written, drawn, printed, spoken, visual, or electromagnetic information or electronically generated or stored data is recorded or preserved, regardless of physical form or characteristics, which has been created or is being kept by WEDC in connection with its official purpose or function.

The following do not qualify as a public record:

- Reference materials and stock copies (vendor catalogs, blank forms, copies of agency publications).
- Duplicate copies (used for convenience or reference purposes only)
- General announcements and unsolicited email (reminders received by staff, spam)

***Do not destroy or delete original documents.*** Only the Records Manager is authorized to determine, based on record retention requirements, whether a document can be destroyed or must still be retained.

All WEDC records must be stored and retained electronically. However, the following original documents are required to be kept in both paper and electronic formats:

1. Promissory notes.
2. Personal and/or Corporate Guarantees.
3. Security Instruments.
4. Mortgages.
5. Securities Certificates (if securities certificates are delivered as collateral).
6. Life Insurance policies.

Utilizing personal devices (phone, laptop) for any WEDC related activity is strongly discouraged. If there is an open records request and it is determined you generated or received WEDC related information on your personal device, your personal device may be searched for records related to the open records request.

#### **Protected Personally Identifiable Information (PII)**

Certain personal information is subject to higher levels of legal protection. Examples of protected PII most frequently found in WEDC generated or received documents include:

- Social Security numbers
- Personal bank account numbers
- Credit card numbers
- Passport numbers

This type of information must be protected and only accessible to staff who need it to conduct WEDC business. If you observe protected PII in unprotected documents, please contact the Records Manager immediately. Appropriate steps will be taken to secure the information.

#### **File Retrieval request process**

WEDC has a specific method for requesting protected personally identifiable information and other documents that are not available in electronic files which tracks who made the request, when the file

was retrieved, when the file is returned and when it is refiled. This ensures the location of a record is known at all times. Please contact the WEDC Records Manager if you have any questions about the file retrieval process.

### **Naming Convention**

A naming convention is a systematic method for naming files, documents and records. A consistent naming convention is an important tool for records management. It allows you to:

- Know the content of a document without opening it
- Find documents quickly using a search function
- Easily browse lists of files to inventory or check for missing documents.

All WEDC employees are required to use approved naming conventions.

If you have questions about WEDC naming conventions for your division, please contact the WEDC Records Manager.

### **1.1 Ethics**

**Introduction** WEDC operates and administers its economic development programs with the highest ethical standards. The guiding principle underlying this policy is that WEDC employees and vendors with which WEDC contracts must always exercise good faith in their actions related to their work for and with WEDC.

WEDC employees are subject to the ethics laws in Chapter 238 of Wisconsin Statutes and the State's ethics code found in Wisconsin Statutes §§ 19.41-19.59. The policy underlying the ethics code is broad:

It is declared that high moral and ethical standards among state officials...are essential to the conduct of free government; that the legislature believes that a code of ethics for the guidance of state public officials...will help them avoid conflicts between their personal interests and their public responsibilities, will improve standards of public services and will promote and strengthen the faith and confidence of the people of this state in their state public officials...

Wis. Stat. § 19.41(1). This policy statement serves as the framework for the State's ethics code and WEDC's ethics policy as a whole.

Transparency through disclosure is the key to monitoring conflicts of interest. Many times, a conflict of interest is harmless to WEDC and the interests of the State of Wisconsin. With disclosure, WEDC can evaluate the pertinent circumstances and minimize the likelihood of a conflict occurring that would affect WEDC and the interests of the State of Wisconsin.

### **State of Wisconsin's Ethics Code**

The statutory ethics code precludes state public officials from:

- Entering into contracts for state funds without notice.
- Using their public position for private benefit.
- Soliciting or accepting rewards or items or services likely to influence their official duties.
- Accepting transportation, lodging, food, or beverage except as specifically authorized.
- Using confidential information to receive anything of value.
- Using their public position to obtain unlawful benefits.

- Acting officially in a matter in which they are privately interested.

Employees are responsible for understanding all provisions of the statutes' ethics code. A summary is provided here.

### **Employee Contracts for State Funds**

Unless an employee has first notified the Ethics Commission and the contracting agency, no WEDC representative, his or her immediate family members, nor any organization with which the representative or an immediate family member has at least a 10% interest may enter into a contract for State funds if the contract obligates the State to pay more than \$3000 over a 12-month period.

For purposes of the ethics code, "immediate family" is defined as a spouse, domestic partner, or a relative (by birth, marriage, or adoption) who receives, directly or indirectly, more than one-half of his or her support from a Director or from whom the Director receives, directly or indirectly, more than one-half of his or her support.

WEDC employees must notify WEDC's CEO or Chief Legal Counsel if considering a contract that falls within the scope of this law. The Compliance Team maintains a report on all such notifications.

### **Private Benefit**

WEDC employees may not use their position with WEDC for financial or non-financial gain for the official, his or her immediate family, or an organization with which he or she is associated.

For purposes of the ethics code, an official is "associated" with an organization when the official or a member of the official's immediate family is a director, officer, or trustee, or owns or controls, directly or indirectly, at least 10% of the outstanding equity, or the officer or a member of the officer's immediate family is an agent or representative of the organization.

### **Acceptance of Gifts or Rewards**

Employees may not accept or solicit anything of value from a person or entity if it could be reasonably expected to influence their actions related to their position with WEDC or construed as a reward for their actions.

In the event a WEDC employee receives an item of value that can reasonably be expected to influence or be construed as a reward, and it cannot or should not be returned (e.g. for reasons of professionalism, customs of other countries, cost, the item is perishable), the item must be donated to a charitable organization, such as Partners in Giving or, if appropriate based on the gift, displayed in WEDC's offices. If the item is perishable (e.g. food), it must be placed in the reception area to be shared among the general public.

### **Transportation, Lodging, Food and Drinks**

WEDC employees may not accept transportation, lodging, meals, food, or drinks unless WEDC confirms that a statutory exception, such as the ones identified herein apply:

- The items (or payment) are related to expenses for a speaking engagement or other event, or a publication about the operations of and issues related to state government; and the items (or payment) are provided by the organizer of the event or the publisher;<sup>[11](#)</sup>

- The activity for which the items are provided or the reimbursement is received is entirely unrelated to the WEDC official's position with WEDC and payment did not arise from the WEDC official's position; or
- The items are accepted on behalf of the State and are for the State's benefit.

The items are accepted by WEDC for economic or business development.

Through procedures developed by the Legal, Records and Compliance Division, each employee or division records the following information for pre-approval of any item of value they are offered (please note that gifts may not need pre-approval if the item is offered without notice):

- the source by which the item was offered;
- the amount or estimated value of the item;
- the event or activity in connection with which the item was received; and
- the location and date of that event or activity.

The Compliance team will advise to the disposition of the item and the information will be collected for tracking purposes and preparing reports, including the annual statutory required report to the Ethics Commission.

### **Athletic Events**

WEDC employees may not accept or purchase a ticket or admission to an event or access to a loge, skybox, or premium area unless the ticket, admission or access (1) cannot reasonably be expected to influence his or her vote, judgment, or any official action; (2) cannot be reasonably considered a reward for any official action or inaction; and (3) is offered for a reason unrelated to his or her position at WEDC, or is available to the general public on the same terms and conditions.<sup>[2]</sup>

There are exceptions to these restrictions. WEDC employees may attend an athletic event at no cost or on terms not available to the public if WEDC authorizes his or her participation in the event for economic or business development purposes on behalf of the State. It is considered a benefit to the State if there is a substantial, well-articulated government purpose for attending the event; or if the event is a prominent, public ceremonial activity and any private benefit is merely incidental to the government purpose. In addition, employees may accept a ticket, admission or access when, in the rare event, it is of no pecuniary value.

### **Statement of Economic Interest**

WEDC employees are required to file an annual Statement of Economic Interest with the Ethics Commission. WEDC employees must include in their Statement of Economic Interests each organization or person that provided to him or her anything valued at more than \$50 during his or her proceeding taxable year, the circumstances under which it was received and the approximate value. The WEDC employee does not need to include the value of an item in his or her Statement of Economic Interests if the item:

- Is returned within 30 days;
  - Is paid by a person identified on the WEDC employee's Statement of Economic interests;
  - Has already been reported to the Ethics Commission by WEDC; or
- Is made available to the official by the Wisconsin Economic Development Corporation or the Department of Tourism.

For the Chief Executive Officer, the first year's statement is due to the Ethics Commission within 21 days of nomination (unless a statement has been filed previously by the nominee) and all subsequent statements are due by April 30. For employees, the first statement is due within 21 days of assuming employment at WEDC and, again, all subsequent reports are due by April 30. Questions about statements of economic interest must be directed to the Ethics Commission.

**Disclosing Confidential Information** WEDC employees may not use or disclose confidential information in any way that could result in a benefit gained by the official, his or her immediate family, or an organization with which the official is associated.

#### **Unlawful Benefits**

WEDC employees may not use their position to influence or receive unlawful benefits, advantages or benefits for anyone.

#### **Campaign Contributions**

WEDC employees may not offer a vote or influence on a matter in exchange for a contribution or service for the benefit of a candidate, political party or any person making a communication that contains a reference to a clearly identified state elected official or candidate for public office.

#### **Private Interests**

Similar to the requirements outlined below under "WEDC Contracts with Which Employees Have a Financial Interest," the ethics code precludes employees from involvement in any official action on matters that could be reasonably expected to result in a substantial benefit for the official, the official's immediate family, or an organization with which the official is associated. Wis. Stat. § 19.46.

#### **WEDC Contracts with Which Employees Have a Financial Interest**

WEDC is well-served by individuals who have diverse experiences and are actively involved in their communities and the State. Their experiences and involvement enhance the expertise they bring to WEDC. These experiences and involvement may interrelate with their work for WEDC, giving rise to circumstances whereby an employee or vendor has an actual or perceived conflict of interest.

WEDC is precluded from executing a contract with an organization with which an employee maintains a controlling interest. A controlling interest is defined where an employee (1) owns or controls directly or indirectly 51% or more of the ownership interest of the organization or (2) serves as president or chief executive officer or otherwise has the authority to act as the senior executive officer of the organization. The employee must immediately report any organizations with which they have a controlling interest to WEDC. All other conflicts may be reported as they become aware of the organization working with WEDC.

State law (Wis. Stat. § 238.046) prohibits the WEDC employee from involvement with an award if the employee has a direct or indirect financial interest in the contract for that award. Upon discovering that they have a conflict of interest in a contract contemplated by WEDC, employees must promptly disclose that interest to WEDC's Chief Legal Officer or Chief Executive Officer. The Chief Legal Officer and Chief Executive Officer will determine whether the disclosed conflict of interest is one that precludes the employee from involvement in a contract. The Chief Legal Officer's disclosures will be reviewed by Senior Staff Counsel and the Chief Executive Officer; the Chief Executive Officer's disclosures will be reviewed by the Chief Legal Officer and the Chief Operating Officer. In the event of a conflict of interest falling within the scope of the statute, the employee must refrain from any discussions or actions on the award at issue. Affected individuals must recuse themselves from meetings when the award is discussed. If at a Board or committee meeting, the minutes will reflect the director's or employee's abstention from voting.



The Chief Legal Officer or Chief Executive Officer will ensure appropriate measures are taken for recusal and will report conflicts to the Board.

### **Contributions**

The Chief Executive Officer may accept contributions, donations, gifts, and bequests—collectively referred to as “contributions”—from private and public sources for the benefit of WEDC. WEDC Bylaws limit the Chief Executive Officer’s authority to accept contributions to those amounting to \$25,000 or less in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual’s immediate family) owns or controls at least 10% of the outstanding equity, voting rights or indebtedness. The Board may accept contributions amounting to more than \$25,000 for the benefit of WEDC.

The Compliance Team shall track these contributions.

### **WEDC Accepted Economic Development Events**

State law expressly allows WEDC to solicit and receive, on behalf of the State, anything of value if related to:

- Sponsorship of a trip to a foreign country primarily to promote trade and for the benefit of the State; or
- Hosting an event to promote business, economic development, tourism or governmental conferences sponsored by multistate, national or international associations.

Public officials may, in turn, accept from WEDC anything of value that WEDC is authorized to provide.

WEDC annually reports to the Ethics Commission on any funds that it accepts for these purposes.

### **Vendor Agreements**

All vendor contracts must include a conflicts of interest provision. In addition, prior to executing a contract with a vendor, contracts must require that if a vendor fails to disclose a potential conflict of interest, and if WEDC determines such failure to disclose involves a material conflict of interest, the vendor’s contract may be terminated or declared to be void by WEDC. Additionally, contracts must require vendors to advise WEDC of any changes in potential conflicts of interest. All vendor contracts must comply with WEDC’s policies and controlling statutes on procurements.

If a conflict of interest is disclosed or discovered, a determination will be made as to the nature of the interest and what action needs to be taken to protect against or alleviate the conflict.

### **Lobbying Regulations**

**WEDC is an “agency” under Chapter 13 of the Wisconsin Statutes but employees are not “agency officials.” This means the only lobbying regulation that applies to WEDC is the requirement to file an annual Legislative Activities Statement. WEDC is required to file a semi-annual Report on Legislative Activities of State Agencies.**

#### **1.8. Ethics Hotline**

WEDC is committed to lawful and ethical behavior in all its activities and requires its employees to conduct themselves in a manner that complies with all applicable laws and regulations. WEDC will maintain an ethics hotline for external or internal reports of fraud, mismanagement, or misconduct. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Legal Officer (CLO), and Vice President of Human Resources (VP of HR) are responsible for investigating and reporting on cases that are submitted through the ethics hotline. In addition, WEDC’s Audit Committee Chair will have access to

view all cases when submitted to the ethics hotline. If any person responsible for investigating is implicated in a case, that case will bypass the implicated individual(s). Ethics hotline cases will also be reported to the WEDC Board of Directors and the WEDC Audit Committee on an annual basis, within the annual Compliance Report. This report is brought to the board meeting annually in July.

WEDC will not retaliate against anyone who files an ethics case. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action. Anyone who believes he/she is being retaliated against must contact the Vice President of Human Resources immediately.

- *Page 18, Section 1.12, second paragraph uses second person “you”*  
Social media postings that may include discriminatory language, harassment and threats of violence or other inappropriate or unlawful content will not be tolerated. Violators may be subject to disciplinary action up to and including termination.
- *Page 19 uses second person Section 1.12, 2<sup>nd</sup> paragraph*  
which may include any individual or person’s Web log or blog, journal or diary, personal website,
- *Page 20, Section 1.13 references Kelly Lietz by name and not title.*  
For the latest brand guidelines document or to request a logo, contact the Vice President of Marketing.
- *Page 22, Section 2.3, last line “division” in Human Resources division is not capitalized. Also remove dualities from paragraph.*  
Human Resources Division and  
Prior to approval of outside employment, a review of possible conflicts of interest m
- *Pg. 31, Section 6.2 replace “being under the influence of” with “unlawfully abusing”*  
In addition, employees are prohibited from unlawfully abusing these substances while working or representing WEDC.
- *Pg. 48, Section 8.5 in fifth bullet point up, remove “managed by the Legal and Compliance Division.”*

Release of WEDC information must be in compliance with the Open Records and other operational procedures.

- *Page 53, Section 9.2 references “Risk Management staff” Should be “Compliance staff” Also references “Chief Legal Counsel and Compliance Officer” which should be “Chief Legal Officer” The after contract execution section, point 2 – looks like there is a spacing issue.*

## 9.1. Awards Administration

To ensure a proper and thorough review of all awards, WEDC has implemented an awards administration process, an overview of which is provided here. It is through this process that WEDC exercises its due diligence in administering funds.

### Award Approval:

- All potential awards are first sent to underwriters for initial analysis and creation of a staff review, before being reviewed by the Senior Financial Underwriting Director. Staff reviews, underwriting checklists, and background checks, which will be performed on all awardees with the exception of local units of state government, are valid for a maximum of 6 months. The size of the award determines the entities required for approval (see below). These multiple levels of review ensure that all potential awards are thoroughly

and rigorously analyzed and holds WEDC to the highest standard of accountability. Likewise, any substantive amendments to awards must go through the approval process in place at the time of the amendment.

- Pursuant to the motion enacted by the Board of Directors on December 13, 2016, the Awards Administration Committee must approve any amendment to an award under which jobs must be retained or created and there has been reduction in the awardee's statewide employment. This only applies to awards for which the application was received after February 1, 2017.
- WEDC uses the tiers identified in the following chart to determine the entity authorized to approve the award. Each staff review will include a listing of all prior awards with WEDC. To determine the level of approval needed for the staff review, WEDC will calculate the aggregate amount issued to the awardee in the award category (tax credits, loans, grants) addressed in the staff review. If the award is made to a local unit of state government, the approval will be based on the award amount identified in the staff review and not the aggregate amount. The following standards should be considered when calculating the aggregate amount:
  - If a loan or grant has not been fully disbursed, but the company still has time to request the remaining funds, the entire loan or grant (even what has not yet been disbursed) counts towards the aggregate.
  - If a loan has been fully disbursed and is now being paid back, the principal and interest counts towards the aggregate.
  - For grants and tax credits, if the company is still in its required reporting timeframe to us, the original grant or tax credit award will count towards the aggregate.

SENIOR FINANCIAL UNDERWRITING DIRECTOR	CEO
Loans up to \$150,000	Loans between \$150,001 to \$500,000;
Grants up to \$25,000	Grants between \$25,001 and \$500,000;
Tax Credits up to \$125,000	Tax Credits between \$125,001 and \$3,500,000;
For awards in this tier, an Underwriting Checklist may serve in place of a Staff Review	Key Strategic Partnership Contracts; All Technical Assistance Programs; and All Bonding Authority Awards

## **AWARDS ADMINISTRATION COMMITTEE**

Loans between \$500,001 to \$1,000,000;

Grants between \$500,001 and \$2,000,000; and  
Tax Credits between \$3,500,001 and \$10,000,000.

Specified amendments where there has been a job reduction.

Exercise an option to convert a loan into an equity investment

## **FULL BOARD OF DIRECTORS**

Loans over \$1,000,000;

Grants over \$2,000,000;

Tax Credits over \$10,000,000;

All Enterprise Zone Designations, regardless of amount.

- The CEO may, under urgent circumstances in which not acting expeditiously may result in WEDC losing the opportunity to contract with a business for the benefit of Wisconsin, approve an award request, regardless of amount, without the prior approval of the AAC or the Board of Directors. The CEO may only exercise this authority after obtaining approval to do so from the CFO and the AAC's Chairperson, and if the award in question does not present any exceptions to the mandatory requirements in the relevant program guideline. This authority does not apply to Enterprise Zone Designations. Upon the CEO exercising this authority, a checklist or staff review must be completed by an underwriter and flow through the standard approval process. A summary report of the exercise of this authority and award approval must be submitted to the AAC and the Board of Directors as soon as possible, but no later than thirty (30) days after the CEO's exercise of authority.

### *Extension of Credit to Past Due Borrowers:*

Additional credit may be extended to recipients with delinquent loans for the purpose of paying principal or interest payments only with the approval of the AAC. The AAC may only approve such loans if there is a certain, identifiable source of repayment for the loan and repayment is not solely dependent on collateral available or to be pledged.

### **Extension of Financial Support to Borrowers with Convertible Notes:**

Recipients of WEDC convertible notes or warrants are not eligible for additional WEDC financial awards such as loans, tax credits, grants or other assistance that directly impacts a company's financial status. Recipients of WEDC convertible notes are eligible for WEDC non-monetary and

indirect assistance, such as technical assistance and Qualified New Business Venture certification.

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.  
**Date:** Sunday, January 27, 2019 3:21:11 PM  
**Attachments:** [AttachedImage](#)  
[AttachedImage](#)  
[AttachedImage](#)  
[WEDC Org Resolution Index.pdf](#)  
[Resolution Adopting FY19 Budget and Operations Plan - Third Resolution on Amending the FY18 Budget 7-11-2018 \(2\).pdf](#)  
[Resolution on Officer Elections- 7-11-2018.pdf](#)  
[2nd Resolution Amending FY18 Budget 4-26-2018.pdf](#)  
[Resolution Adopting FY19 Budget and Operations Plan - Third Resolution on Amending the FY18 Budget 7-11-2018 \(3\).pdf](#)  
[Resolution Adopting the FY18 Budget & Operations Plan 7-13-17.pdf](#)  
[Resolution Adopting the Sixth Amended & Restated Bylaws 7-13-17.pdf](#)  
[Resolution on 17-9 Audit Response 18-1-22.pdf](#)  
[Resolution on Amending the FY18 Budget 2-22-18.pdf](#)  
[Resolution on Officer Elections 7-13-17.pdf](#)  
[Pre-FY18 WEDC Board Resolutions.pdf](#)

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This is the third email with Board Governance materials.

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**From:** Jennifer Jin  
**Sent:** Sunday, January 27, 2019 2:25 PM  
**To:** Joel.brennan@wisconsin.gov  
**Subject:** Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.

Secretary Brennan,

I am trying to give you direct access to the two folders. Please let me know if this works. Otherwise, I will download the files directly and send them to you.

Jenn



This link only works for the direct recipients of this message.



Final WEDC Board Governance Binder

Open



Microsoft respects your privacy. To learn more, please read our [Privacy Statement](#).  
Microsoft Corporation, One Microsoft Way, Redmond, WA 98052



File Name	Date Executed	FY
Resolution on Officer Elections	7/11/18	19
Resolution Adopting FY19 Budget and Operations Plan- Third Resolution Amending	7/11/18	19
Second Resolution on Amending the FY18 Budget	4/26/18	18
Resolution Amending the FY18 Budget	2/22/18	18
Resolution Accepting the 17-9 Audit Responses	1/25/18	18
Resolution on Officer Elections	7/13/17	18
Resolution Adopting the Sixth Amended & Restated Bylaws	7/13/17	18
Resolution Adopting the FY18 Budget & Operations Plan	7/13/17	18
Resolution Amending the FY17 Budget	4/27/17	17
Resolution on Amending Contracts After Job Loss	12/13/16	17
Resolution on Election of Vice Chair	12/13/16	17
Resolution Adopting the Fifth Amended & Restated Bylaws	7/14/16	17
Resolution Adopting the Fiscal Year 2017 Budget & Operations Plan	7/14/16	17
Resolution on Officer Elections	7/14/16	16
Resolution on Election of Treasurer	4/21/16	16
Resolution on Amending the Fiscal Year 2016 Budget	4/21/16	16
Resolution on Election of Treasurer	4/21/16	16
Resolution Adopting the Fourth Amended & Restated Bylaws	9/24/15	16
Resolution on CEO Compensation	9/17/15	16
Resolution Adopting the Third Amended & Restated Bylaws	7/20/15	16
Resolution on Interim FY16 Budget-Ops Plan & Continuing Program Guidelines	7/20/15	16
Resolution on Officer Elections	7/20/15	16
Resolution on WEDC's Fund Balance	7/20/15	16
Resolution on Amending the Fiscal Year 2015 Budget & Operations Plan	4/30/15	15
Resolution on Committee Charters & Appointment of Committee Members	9/25/14	15
Resolution Adopting the Second Amended & Restated Bylaws	9/25/14	15
Resolution on Committee Charters & Appointment of Committee Members	9/25/14	15
Resolution Adopting the Fiscal Year 2015 Budget & Operations Plan	7/28/14	15
Resolution Adopting the Fiscal Year 2015 Budget & Operations Plan	7/28/14	15
Resolution on Officer Elections	7/28/14	15
Resolution Amending the Fiscal Year 2014 Budget & Operations Plan	4/22/14	14
Resolution on Systems Policies	12/10/13	14
Resolution on Compliance with LAB Programmatic Audit	7/28/13	14
Resolution on Compliance with LAB Programmatic Audit	7/28/13	14
Resolution Adopting the First Amended & Restated Bylaws	7/23/13	14
Resolution Adopting the Fiscal Year 2014 Budget & Operations Plan	7/23/13	14
Resolution on CEO, COO, & CFO Appointments	7/23/13	14
Resolution on Committee Charters & Appointment of Committee Members	7/23/13	14
Resolution on Creating a Non-Profit Organization	7/23/13	14
Resolution on Officer Elections	7/23/13	14
Resolution on Audit Committee Appointment	3/12/13	13
Resolution on Creating a Non-Profit Organization	3/12/13	13
Resolution on Audit Committee Appointment	3/12/13	13
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Resolution on CEO Candidate Compensation Range	12/19/12	13
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Resolution on Statewide Collaboration for Defining & Measuring Performance	6/28/12	12
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WEDC Organizational Resolutions with Exhibits	5/18/11	11

## **Wisconsin Economic Development Corporation Resolution of the Board of Directors**

July 11, 2018

Re: Resolution Accepting the Fiscal Year 2019 Budget and Operations Plan  
Third Resolution Amending the Fiscal Year 2018 Budget

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization.

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

**WHEREAS**, on July 13, 2017 the Board did adopt the fiscal year 2018 budget.

**WHEREAS**, on February 22, 2018 the Board did amend the fiscal year 2018 budget.

**WHEREAS**, on April 26, 2018 the Board did amend the fiscal year 2018 budget.

**WHEREAS**, on June 29, 2018 the Budget and Finance Committee approved a transfer of funds between Divisions to accommodate a late request for TIP funds for the Sector Strategy Division which is reflected in the fiscal year 2018 budget as amended on the attached.

**WHEREAS**, on June 29, 2018 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2018 budget as amended on the attached and the fiscal year 2019 budget and operations plan attached.

**WHEREAS**, on June 27, 2018 the Awards Administration Committee did recommend for approval by the Board, the fiscal year 2019 program guidelines attached.

### **NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2018 budget as amended on the attached which is made a part of this resolution, is approved.

**RESOLVED**, that the fiscal year 2019 WEDC budget and operations plan and accompanying program guidelines ("Budget and Operations Plan") attached which is made a part of this resolution, shall be retroactive to the start of the fiscal year, July 1, 2018.

**RESOLVED**, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on July 11, 2018.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 11, 2018

Re: Resolution on Officer Elections

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 2 of the Bylaws requires the Board of Directors elect at its annual meeting a Chair, Vice Chair, Secretary, and Treasurer

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Lisa Mauer is elected Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Vice Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Secretary of the Board of Directors.

**RESOLVED**, Dave Drury is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 11, 2018.

## **Wisconsin Economic Development Corporation Resolution of the Board of Directors**

April 26, 2018

Re: Second Resolution Amending the Fiscal Year 2018 Budget

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization.

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

**WHEREAS**, on July 13, 2017 the Board did adopt the fiscal year 2018 budget.

**WHEREAS**, on February 22, 2018 the Board did amend the fiscal year 2018 budget.

**WHEREAS**, on April 13, 2018 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2018 budget as amended on the attached.

### **NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2018 budget as amended on the attached which is made a part of this resolution, is approved.

**RESOLVED**, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on April 26, 2018.

## **Wisconsin Economic Development Corporation Resolution of the Board of Directors**

July 11, 2018

Re: Resolution Accepting the Fiscal Year 2019 Budget and Operations Plan  
Third Resolution Amending the Fiscal Year 2018 Budget

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization.

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

**WHEREAS**, on July 13, 2017 the Board did adopt the fiscal year 2018 budget.

**WHEREAS**, on February 22, 2018 the Board did amend the fiscal year 2018 budget.

**WHEREAS**, on April 26, 2018 the Board did amend the fiscal year 2018 budget.

**WHEREAS**, on June 29, 2018 the Budget and Finance Committee approved a transfer of funds between Divisions to accommodate a late request for TIP funds for the Sector Strategy Division which is reflected in the fiscal year 2018 budget as amended on the attached.

**WHEREAS**, on June 29, 2018 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2018 budget as amended on the attached and the fiscal year 2019 budget and operations plan attached.

**WHEREAS**, on June 27, 2018 the Awards Administration Committee did recommend for approval by the Board, the fiscal year 2019 program guidelines attached.

### **NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2018 budget as amended on the attached which is made a part of this resolution, is approved.

**RESOLVED**, that the fiscal year 2019 WEDC budget and operations plan and accompanying program guidelines ("Budget and Operations Plan") attached which is made a part of this resolution, shall be retroactive to the start of the fiscal year, July 1, 2018.

**RESOLVED**, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on July 11, 2018.

## **Wisconsin Economic Development Corporation Resolution of the Board of Directors**

July 13, 2017

Re: Resolution Accepting the Fiscal Year 2018 Budget and Operations Plan

The following resolution of the Board of Directors ("the Board") of the Wisconsin Economic Development Corporation ("WEDC"), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, WEDC was created to be the State of Wisconsin's lead economic development organization.

WHEREAS, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

WHEREAS, the State of Wisconsin's 2017-2019 Biennial Budget ("Wisconsin State Budget") has not been enacted as of the date of this Resolution.

WHEREAS, on June 30, 2017 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2018 budget and operations plan attached.

WHEREAS, on June 23, 2017 and July 12, 2017, the Awards Administration Committee did recommend for approval by the Board, the fiscal year 2018 program guidelines attached.

NOW, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, that the fiscal year 2018 WEDC budget and operations plan and accompanying program guidelines ("Budget and Operations Plan") attached which is made a part of this resolution, shall be retroactive to the start of the fiscal year, July 1, 2017; WEDC is authorized to operate at its current appropriation authority until the Wisconsin State Budget is enacted.

RESOLVED, WEDC will present the Board with a revised Budget and Operations Plan in the event of unanticipated changes to the Wisconsin State Budget that will have a material impact on WEDC's Budget or Operations Plan; a revised Budget and Operations Plan shall take effect immediately upon its adoption, and shall be retroactive to the start of the fiscal year, July 1, 2017.

RESOLVED, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on July 13, 2017, and shall be retroactive to the start of the fiscal year, July 1, 2017.



# **WEDC OPERATIONS PLAN AND BUDGET**

**FISCAL YEAR 2018**





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# DIRECTORY OF OFFICIALS

## BOARD OF DIRECTORS

Lisa Mauer	Chair
Nancy Hernandez	Vice-Chair, Secretary
David J. Drury	Treasurer
Dan Ariens	Board Member
Rep. Peter Barca	Board Member
Sen. Tim Carpenter	Board Member
Raymond Dreger	Board Member
Sen. Daniel Feyen	Board Member
Rep. Rob Hutton	Board Member
Jim Ladwig	Board Member
R.D. Nair	Board Member
C. Thomas Sylke	Board Member
Richard G. Chandler	Ex-Officio – Secretary, Department of Revenue
Scott Neitzel	Ex-Officio – Secretary, Department of Administration

## ADMINISTRATORS

Mark R. Hogan	Secretary and Chief Executive Officer
Tricia R. Braun	Deputy Secretary and Chief Operating Officer
Brian Nowicki	Chief Financial Officer
Jennifer Jin	Chief Legal Officer
Aaron Hagar	Vice President of Entrepreneurship and Innovation
Anne Jesko	Vice President of Human Resources
Barbara LaMue	Vice President of Business and Community Development
Kelly Lietz	Vice President of Marketing and Brand Strategy
Joshua Robbins	Vice President of Technology and Information Systems
Katy Sinnott	Vice President of International Business Development
Vacant	Vice President of Sector Strategy Development
Amy Young	Senior Director of Public Policy



# SECRETARY MESSAGE

The Wisconsin Economic Development Corporation (WEDC) annually fulfills its responsibility as Wisconsin's lead economic development organization by producing an operations plan and budget reflecting key strategies and planned investments designed to fulfill our mission: **To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment.**

This document reflects the insights and objectives not only of WEDC's divisional leaders and highly capable staff, but also those of hundreds of partners and stakeholders with whom we collaborate daily in our service to the people of Wisconsin. We fully understand successful economic development respects and honors wide-ranging perspectives—from local business representatives and industry executives to academic leaders and community members.

## **WEDC's economic development strategies are built upon five key Catalysts of Growth:**

- **Strategic Economic Competitiveness;**
- **Business Development;**
- **Community and Economic Opportunity;**
- **Brand Development and Management; and**
- **Operational and Fiscal Excellence**

WEDC's fiscal year 2018 (FY18) budget of \$56.9 million represents a decrease in sources and uses of 5 percent over the amended fiscal year 2017 (FY17) budget. For the third consecutive year, WEDC will be using a portion of its unrestricted reserves to support a balanced budget.

WEDC's FY18 operations plan carries forward our commitment to the many successful programs that continue to make a difference in our state's economic performance. Where we are seeing strong results, we will continue to increase our resources. For example, WEDC plans to expand its outreach to business decision makers nationally and globally following the success of such celebrated business attraction projects as Dollar General, The Little Potato Company, American Packaging Corp., Vonco, and HARIBO. We will also be implementing an aggressive international trade mission schedule in FY18, with a total of six trips planned.

One of the many advantages of WEDC's organization structure is our flexibility to adapt to evolving economic forces by channeling our financial resources to address critical needs. On an ongoing basis, WEDC is able to reallocate funds to meet the needs of areas where they will have the greatest impact.

With a historically low unemployment rate, Wisconsin businesses face rising challenges hiring and retaining the qualified workers they need to grow. In response, WEDC has increased the funding available through our Workforce Training Grant, and we will be covering the costs of communities throughout the state to access an online portal—INSPIRE—that connects

students to local employers and mentors. We also plan to add a full-time staff member dedicated solely to coordinating efforts between WEDC and our partners related to workforce development, retention and attraction.

Our collaborative efforts also include the development and deployment of a powerful marketing message—**Think-Make-Happen In Wisconsin**—designed to promote the career and lifestyle opportunities Wisconsin offers.

It is also important that business ownership in Wisconsin reflect the diversity of our communities. WEDC works side by side with the four statewide minority chambers of commerce to help minority-owned businesses overcome obstacles in starting and growing their companies. In FY18, four minority business development organizations that have historically qualified for WEDC's Minority Business Development Program will receive funding as Key Strategic Partners of WEDC. This shift, which reallocates funds from the Minority Business Development Program to WEDC's operational budget, adds greater structure and accountability to the minority chambers of commerce under contract.

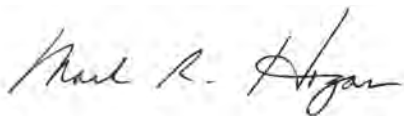
WEDC also recognizes the diversity our state offers by way of geography and demographics, and we will continue to engage local partners in Wisconsin's rural and urban areas alike in order to support entrepreneurs throughout the state whose ideas hold promise for new company formation and job creation.

These and many more highly targeted economic development initiatives are detailed in this plan, which we are pleased to share with our board of directors, the State Legislature, our economic development partners, and the citizens of Wisconsin. This document and our Annual Report on Economic Development published in October serve as important guideposts in Wisconsin's ongoing journey toward widespread economic prosperity.

We look forward to delivering upon the strategies detailed in WEDC's FY18 operations plan and to sharing the results of the collective efforts they represent.

Thank you for your support of WEDC's mission and for your contributions in helping to move Wisconsin Forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark R. Hogan". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark R. Hogan

# MISSION

To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment.

## CATALYSTS OF ECONOMIC GROWTH

When a state's economic partners work together, the whole system is stronger and its output is more robust. WEDC works with more than 600 partners across the state, including regional economic development organizations, academic institutions and industry cluster leaders. WEDC's economic development strategies are built upon five key **Catalysts of Economic Growth**:





# SUCCESS MEASURES

Economic development is a disciplined public service designed to remove barriers, fulfill opportunities and attract investment that would not be feasible from a financial, competitive or timing perspective without public assistance. A key criteria WEDC considers when assessing a project is the **return on investment** it will deliver to the state.

WEDC's economic development initiatives include tax credits for investments in early-stage companies to export readiness programs, industry cluster advancement strategies and downtown redevelopment financing.

Clear, real-time measurable outcomes result from funding (grants, tax credits and loans) WEDC provides to companies that make significant capital investments in Wisconsin that result in the retention or creation of jobs. But this is only part of the story.

## WEDC FY18 PERFORMANCE GOALS



### COMMUNITIES ASSISTED<sup>1</sup>

FY18 GOAL.....203  
FY17 GOAL.....206



### LEVERAGE RATIO

FY18 GOAL.....8:1  
FY17 GOAL.....8:1



### BUSINESSES ASSISTED<sup>2</sup>

FY18 GOAL.....3,782  
FY17 GOAL.....2,710



### JOB IMPACT<sup>3</sup>

FY18 GOAL.....13,423  
FY17 GOAL.....14,973



### PARTNER ORGANIZATIONS ASSISTED

FY18 GOAL.....69  
FY17 GOAL.....67

<sup>1</sup> The number of communities assisted goal for FY18 may increase, based on the passage of the 2017-19 Biennial Budget.

<sup>2</sup> Sum of division goals in FY18 equals 4,727. That number was reduced by 20 percent to account for multiple assistances to one business. The number of businesses assisted goal for FY18 may increase, based on the passage of the 2017-2019 Biennial Budget.

<sup>3</sup> The Job Impact number relates to the total number of jobs to be created and retained. The FY18 goal is the creation of 6,213 and retention of 7,210 jobs. The FY17 goal was the creation of 6,413 and retention of 8,560 jobs. The job impact goal for FY18 may increase, based on the passage of the 2017-19 Biennial Budget.

To balance our responsibility to protect taxpayer money with the inherent risks associated with pursuing new business development opportunities, WEDC requires significant co-investment in the majority of the initiatives we fund. It is important that we not be the sole or even the majority investor in a project. In FY18, we project a leverage ratio of 8-to-1 (\$8 of outside investment for every \$1 of WEDC funds) across all of our financial investments.

When a company spends millions of dollars on an expansion project, much of that money is pumped into the local economy through the direct purchasing of contractor services. Oftentimes, an increase in jobs in one industry will create offshoots in other industries, resulting in a jobs multiplier effect.

# BUDGET OVERVIEW

## What is the purpose of a budget?

The budget serves as a tool to facilitate: 1) the alignment of resources with organizational objectives, 2) governing body oversight, 3) management oversight, and 4) communication to external stakeholders about WEDC priorities and activities.

## What is the process for developing and adopting the budget?

For FY18, which is the first year of the state's 2017-19 Biennial Budget, WEDC's budget process began in February, 2017 after the first six months of actual results had been finalized. Budget worksheets showing the previous two years' actual results, six months of current year results and the current year's budget were developed. The Finance Department, in coordination with the Human Resources Department, calculated the salary and benefits amounts for all departments based on the current staffing levels and authorized open positions.

All department heads are responsible for completing projections for the current year by the end of March. Final budget decisions are made in May, after updated financial projections for FY17 are completed.

The Budget and Finance Committee then meets at the end of June to review the final budget and recommend approval of the budget to the Board of Directors. The Board of Directors reviews and adopts the budget at their July meeting.

## How is the budget presented?

There are many ways financial information can be presented and summarized for annual financial reporting, interim reporting and budgeting. The three most common ways are by: 1) department, 2) function, and 3) object.

**Departmental reporting** means financial information is summarized by the department that controls the expenditures or that is the most knowledgeable about the costs incurred. This can also be thought of as operational reporting because the costs are reported along the organizational structure. The departments used by WEDC are shown below.

Much of the operational plan is organized around individual departments and each department is responsible, with oversight from Finance, for developing and monitoring their operational plan and budget requests.

### WEDC Divisions/Departments

- Legal and Compliance – 1100
- Executive Office – 1200
- Operations and Program Performance – 1300
- Entrepreneurship and Innovation – 2000
- Business and Community Development – 3000
- Business and Investment Attraction – 3500
- Sector Strategy Development – 4000
- Marketing and Brand Strategy – 5000
- Human Resources – 6100
- Finance – 6200
- Technology and Information Systems – 6300
- Credit and Risk – 6600
- International Business Development – 7000
- Office of Public Policy – 8000

**Functional reporting** is a nationally recognized standard way of grouping departments into larger categories to aid in the comparison between organizations. WEDC is required under generally accepted accounting standards as applied to governments to report our financial results by function in our annual financial statements. The table below shows the function in which each department is grouped for financial reporting purposes.

WEDC Division	Departments	Functions
Legal and Compliance	1100	General Administration
Executive Office	1200	
Operations and Program Performance	1300	
Human Resources	6100	
Finance	6200	
Technology and Information Systems	6300	
Credit and Risk	6600	
Office of Public Policy	8000	
Entrenpreunership and Innovation	2000	Economic Development
Business and Community Development	3000	
Business and Investment Attraction	3500	
Sector Strategy Development	4000	
International Business Development	7000	
Marketing and Brand Strategy	5000	Marketing
Capital related costs within any department		Capital Outlay
Principal or interest payment within any department		Debt Service

Non-governmental financial reports for service organizations typically present expenses in categories based on the nature of the expense, such as salaries, benefits, rent, supplies, or training. These natural expenses are then often grouped into larger categories for financial reporting; this is often called **object level reporting**. Non-profits also follow this method, often using three main objects: program/service, management and general, and fund- raising. Object level reporting is useful to show expenditures at an organization-wide level rather than by the specific department that oversees the activities. This is often a more useful way of reviewing expenditures for external stakeholders.

### WEDC Object Categories

- Program grants
- Loan loss reserve – collectable
- Loan loss reserve – performance based
- Key strategic partners
- Promotions
- Payroll and benefits
- Operational and general
- Pass-through federal grant expenditures
- Capital
- Debt service

## How is the budget formally adopted?

WEDC adopts the annual budget at the departmental level. Under this method, department heads are responsible for ensuring their department stays within budget. This means that an individual department may overspend in one account as long as they underspend in another area. This allows management to track and hold department heads accountable for their spending and activities, while still providing flexibility to adjust to changing factors during the year.

While WEDC adopts the budget by department, most of our interim financial reports focus on reporting by object category. This is done because often those categories are more meaningful to how WEDC is carrying out our mission. This budget document will present information using both levels of reporting in order to facilitate understanding of how resources are allocated and how management monitors and controls spending.

The FY18 budget presented shows only how WEDC plans to spend new funds or funding from reserves for current year awards or operations. WEDC also has commitments and contracts made to awardees in previous years that have not been fully disbursed at the start of the budget year. The exact amount of these open commitments and contracts is not determinable until after the close of FY17. Since these awards were funded in previous years the funding is available and included in WEDC's equity position at the beginning of the budget year. The budget resolution will provide authorization and funding for these existing awards as well.

## How are amendments approved?

When it is determined that an individual department may need to exceed its budget in aggregate, a budget amendment will be requested and approved by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board of Directors.

When it is determined that funds may need to be transferred between departments, a budget amendment will be requested and approved by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board of Directors.

When it is determined that funds may need to be transferred within a department, but the transfers do not exceed its total budget in aggregate, a budget amendment will be requested and approved by the CEO.

# FINANCIAL OVERVIEW AND BUDGET SUMMARY

The budget summary can be found on pages 23 – 24. It includes a summary by object and a summary broken out by department.

## Revenue categories shown include the following:

**State General Purpose Revenues (GPR)** – revenues are received from the State of Wisconsin budget appropriation that were primarily collected through taxes such as individual income, sales, excise, corporate and other State of Wisconsin levied taxes.

**State Economic Development Fund (SEG)** – revenues that are received from the State of Wisconsin that were collected through a 3% of gross tax levy on corporations.

**State Brownfield Site Assessment** – revenues that are received from the State of Wisconsin that were collected through the environmental fund. These revenues are restricted for use on the Brownfield Site Assessment Grant.

**Other Intergovernmental Revenues** – intergovernmental revenues are those received from another level of government, including federal revenues. State GPR, SEG and Brownfield Site Assessment revenues are also forms of intergovernmental revenues. However, due to the size and importance of those revenues, they are shown separately.

**Interest on Loans** – represents interest earned on outstanding collectable loan balances.

**Charges for Services** – revenues collected for loan origination fees, bond servicing fees, tax transfer fees and sponsorship contribution

**Interest on Investments** - represents interest earned on investments, and market value adjustments needed to report investments at market value rather than purchase cost or face value.

**Other Revenues** – generally revenues that do not fall into one of the other categories above or are one-time in nature.

## Expenditures are shown by object category for the organization as a whole. The following objects are used:

**Program Grants** – represents financial grant awards to be made during the year. This budget does not include tax or investor tax credits as WEDC does not make cash payments for these credits.

**Loan Loss Reserve - Collectable** – this is a provision for bad debt on loans that WEDC collects. The reserve is based on outstanding loan balances by program and are evaluated for risk of non-payment at the program and individual loan level.

**Loan Loss Reserve – Performance Based** – this is a provision for loans that WEDC would expect to forgive, based on the loan recipient meeting all contractual performance obligations. The reserve is 100% of the outstanding loan balance.

**Key Strategic Partners** – represents funding for awards to other organizations that function as an extension of WEDC, such as regional economic development organizations and minority chambers of commerce.

**Promotions** – includes marketing related expenses that promote the State of Wisconsin and WEDC programs.

**Payroll and Benefits** – includes expenditures for salaries, wages, benefits such as health and life insurance, pension, payroll taxes, unemployment, employee recruitment and professional development.

**Operations and General** – includes expenditures not included in another category, such as office expense, supplies, rent, general insurance, professional services and travel.

**Pass-Through Federal Grants** – includes expenditures related to federal grant activity that WEDC administers that is not associated with a program activity.

**Capital** – under governmental accounting for general governmental activities, capital or fixed assets are reported as expenditures in the period purchased. The capital category includes one-time purchase costs such as for vehicles, software or leasehold improvements.

**Debt Service** – expenditures include principal and interest payments on long term debt and capital leases.

The budget summary includes FY17 actual results, projected allocated expenditures, the previous year's budget for new funds and the proposed budget. Projected allocated expenditures include accounting expenditures as well as commitments and open contracts. To better understand what this means we need to understand the award process.

Awards are encumbered as part of the fund balance when they are first approved (i.e., committed), even though the awardee may have several years to request payment(s). Because of this significant time lag, it is important to understand the stages a grant and loan award progresses through, from a financial perspective.

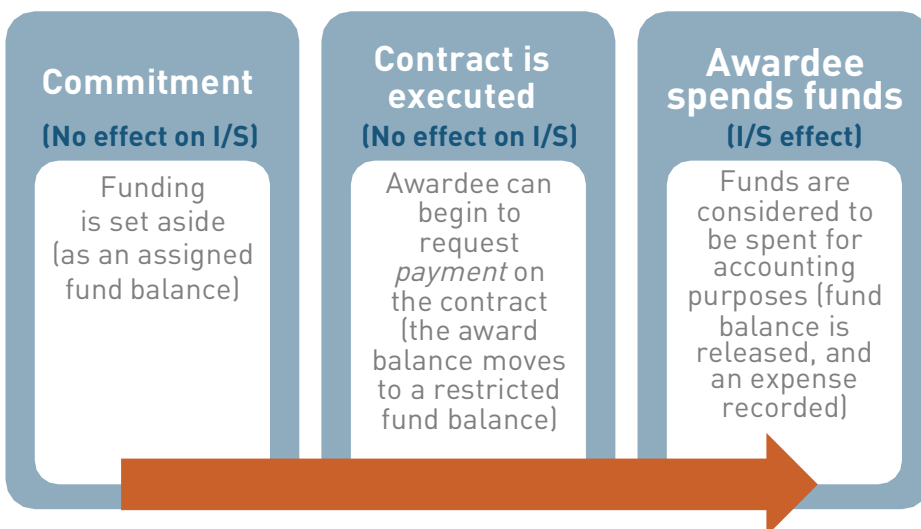
### What are the stages of a grant award?

A commitment represents an award that has been fully approved through WEDC's award process. At this stage, WEDC is in the process of contracting or negotiating final contract terms with the awardee. We expect that the majority of our commitments will become contracts in the very near term. Once a commitment has been made, we set funding aside in the fund balance to satisfy that commitment.

Once the contract has been fully executed (signed) by the awardee and WEDC, it is contracted. The awardee can begin requesting payment under the terms of the award at this stage. Payments on contracts are called expenditures. Oftentimes the entire award is not paid out all at one time. The remaining unpaid balance on a contract is called the open contract or award balance and remains as a set aside in the fund balance.

In summary, for financial accounting purposes only the amounts that have been paid on an award grant are considered to be expended. However, WEDC sets funds aside in its fund balance for an award once we have made the commitment to the awardee. The graphic below summarizes these ideas:

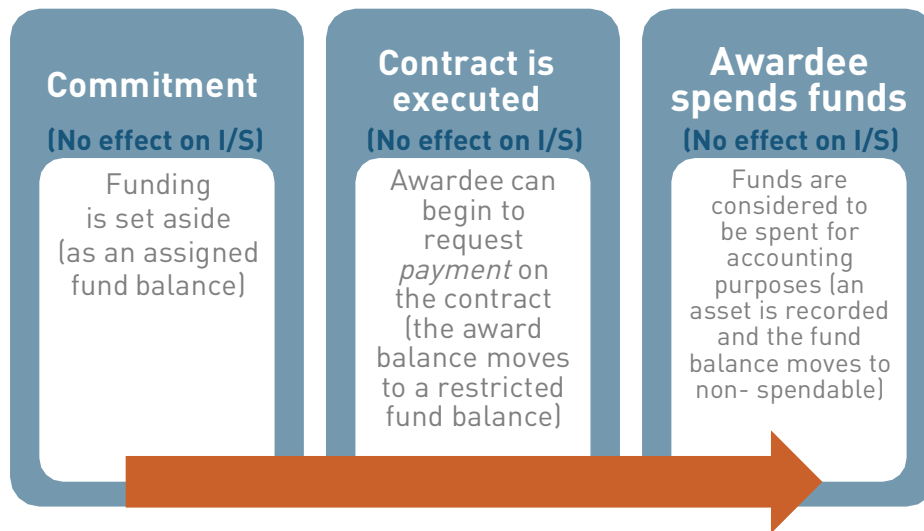
## STAGES OF A GRANT AWARD



## What are the stages of a loan award?

The awarding of loans represents a commitment first, and then a contract, just like a grant award. Both of these processes represent a financial transaction because funding is set aside as an assigned fund balance when a commitment is first made, and later as a restricted fund balance when the contract is executed. Once a loan is drawn by the awardee, it becomes an asset to WEDC. It results in another move in the fund balance, from a restricted fund balance to a non-spendable fund balance. Similarly, when WEDC receives payments back from an awardee on a loan, the principal repayment reduces the loan asset balance and the non-spendable fund balance is released.

## STAGES OF A LOAN AWARD



In summary, while loan draws do not result in expenditures and repayments do not result in revenues, they do represent the use or receipt of financial resources and accordingly do have an impact on the composition of WEDC's fund balance. Loan draws increase the nonspendable category of fund balance, while loan repayments decrease the nonspendable category. Fund balance can be thought of as WEDC's equity position. The specifics of the various categories of fund balance are described below, and all of the categories of fund balance used by WEDC are shown on the budget summary.

In order for WEDC to best manage our financial position, including understanding the commitments, open contracts and loans that have been made, WEDC focuses on fund balance.



## What are the categories of fund balance?

**Non-spendable** – used for amounts that cannot be spent, such as prepaid expenses, and long-term receivables. The majority of WEDC’s non-spendable fund balance represents outstanding loan balances.

**Restricted** – unspent funds with third party constraints on their use, including open award contracts. WEDC also receives Brownfield Site Assessment and State Small Business Credit Initiative (SSBCI) funding which can only be spent on those specified programs.

**Assigned** – these are amounts that are intended to be used for a specific purpose. Amounts included in the assigned category on the budget summary include funds set aside for:

- open commitments,
- outstanding loan guarantees,
- estimated amount owed to the State for a long-term note payable incurred under the Department of Commerce for pension obligation, and
- other amounts expected to be used in the next year’s budget.

**Unassigned** – any remaining equity after all other categories have been calculated. WEDC targets unassigned fund balance to be two months of operating expenditures.



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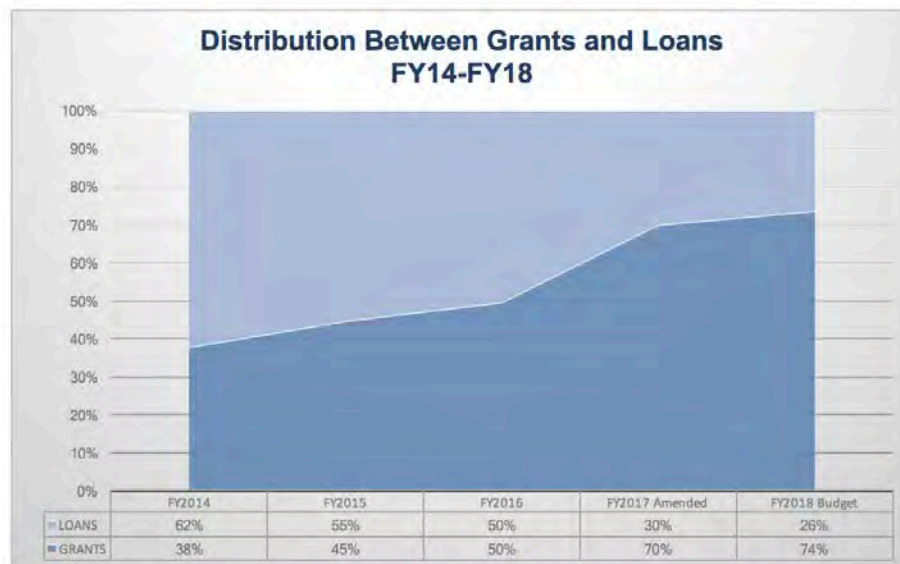
# OPERATIONAL OVERVIEW



# OVERVIEW OF PROGRAMS

The budget summary provides a good overview of WEDC’s budget request and the impact of the budget on WEDC’s overall financial position. The following page is intended to provide more detail on the economic development programs that are included in the FY18 budget. The first section lists the program grants. These are followed by the loan programs which are not considered to be expenditures, but are assets to WEDC, so they are not included in the budget summary directly.

The chart below shows the distribution between program grants and loans for FY14 through the proposed budget. Significant programmatic budget changes are as follows:



WEDC’s award programs are designed to align with the strategic plan. Following the Program Grants and Loans schedule is a brief description of each program including the strategic objective it supports and advances.

**Workforce Training Grants** – The grant program budget is increasing by \$1,055,000, from \$945,000 in FY17 to \$2,000,000 in FY18. The increase in funding is expected to help companies expand and retain manufacturing jobs in the State of Wisconsin.

**Targeted Industry Projects Grants** – The grant program budget is decreasing by \$550,000, from \$3,550,000 in FY17 to \$3,000,000 in FY18. The decrease in funding will not affect new centers of excellence in FY18.

**International Market Access Grants** – The grant program budget is increasing by \$300,000, from \$450,000 in FY17 to \$750,000 in FY18 to assist additional companies in increasing export revenues.

**Strategic Initiatives Fund** – A new grant program has been created to addresses unique funding opportunities that meet WEDC’s strategic initiatives, but would otherwise not qualify for our other programs. The program is receiving \$250,000 in funding for FY18.

**Revolving Loan Fund** - A new initiative for the Marathon County Economic Development Corporation, specified in the 2017-19 Biennial Budget, if passed, would use \$100,000 to fund a revolving loan fund to support minority owned businesses in Marathon County.

**Fabrication Laboratory Technical Assistance Grants** – A new initiative, specified in the 2017-19 Biennial Budget, for the purpose of making fabrication laboratory technical assistance grants to one or more nonprofit organizations for the provision of services to Wisconsin school districts. If passed, \$300,000 would be provided, split between FY18 (\$100,000) and FY19 (\$200,000).

**Minority Business Development** – Four key statewide minority business development organizations, which have historically qualified for WEDC minority business development program funding, will be provided funding beginning in FY18 as Key Strategic Partners to WEDC. As a result, \$750,000 in funding has been moved from Program Grants to Key Strategic Partners in FY18.

**Community Development Investment Grants** - The grant program budget is decreasing by \$430,000, from \$3,430,000 in FY17 to \$3,000,000 in FY18 to reflect anticipated demand for the program in FY18.

**Business Opportunity Loan Fund** – The loan program is not being funded in FY18, resulting in a decrease from its FY17 budget of \$5,000,000.

**NEW Business Lending Fund** – Contingent on passage in the 2017-19 Biennial Budget, a new loan program is currently being developed which will replace the Business Opportunity Loan Fund for FY18. The new program will be allocated \$3,000,000 in FY18.

**Technology Development Loan Fund (TDL)** - The loan program budget is increasing by \$500,000, from \$4,500,000 in FY17 to \$5,000,000 in FY18.

## FINANCIAL OVERVIEW

This section focuses on the consolidated information of WEDC, and includes the following information:

1. Revenue and Expenditures by Object
2. Revenue and Expenditures by Department
3. Program Grant and Loan Allocations
4. Further Expenditure Breakout of Expenses by Department

Individual department budgets are also further presented and discussed within the departmental operations plan.

The discussion of the changes below follows the **Revenue and Expenditures by Object** format:

### **REVENUES – Decreasing \$1.5 million (4%) from FY17.** The primary changes are:

- \$1.5 million decrease in federal funding, resulting from the completion of the State Small Business Credit Initiative (SSBCI) which was used to assist in the funding of Technology Development Loans (TDL).
- The total amount of funds collectively from the State General Purpose Revenue, State Economic Development Fund, and State Brownfield Site Assessment funds remains level for FY18.

### **EXPENDITURES – Decreasing \$1.1 million (2%) from FY17.** The primary changes by expense category are:

#### **Program Grants – Decreasing \$28,600 (<1%)**

- Workforce Training Grant (WTG) program will be receiving \$1.1 million more in program allocation in FY18 to help companies improve the skills of their workforce.
- International Market Access Grant (IMAG) program will be allocated an additional \$0.3 million more in program allocation in FY18 to assist companies in increasing export revenues.
- Strategic Initiatives Fund (SIF) grant program will be created in FY18 and will receive \$250,000 in program funds. This new grant program has been designed to help addresses unique funding opportunities that meet WEDC's strategic initiatives, but would otherwise not qualify for other programs.
- Two new initiatives specified in the 2017-19 Biennial Budget, if passed, would increase program funding by \$0.2 million in FY18.
- Four statewide key minority business development organizations which have historically qualified for WEDC's Minority Business Development Program funding will be provided funding, beginning in FY18, as Key Strategic Partners to WEDC. As a result, \$750,000 in funding has been moved from Program Grants to Key Strategic Partners in FY18.
- Targeted Industry Projects (TIP) grant program will be reduced \$0.6 million to fund new centers of excellence in FY18.
- Community Development Investment (CDI) grant program will be receiving \$0.4 million less in program allocation to adjust to the expected demand for the program in FY18.

#### **Loan Loss Reserve Expense – Decreasing \$3.7 million (60%)**

- The performance-based loan reserve expense is expected to decrease by \$2.1 million (58%), but will not be completely reduced in FY18, even though WEDC will no longer originate performance-based loans in FY18. The reason for the performance-based loan loss reserve expense in FY18 is that for performance-based loans that were committed in FY17 but not drawn on until FY18, we will need to reserve for these loans in FY18.
- The collectable loan reserve expense is expected to decrease by \$1.6 million (61%) based on new origination activity and a risk-based approach for determining the reserve on the current portfolio.

### **Key Strategic Partners – Increasing \$0.7 million (20%)**

- Minority Business Development (MBD) program has been reclassified to more appropriately align the minority chambers of commerce as Key Strategic Partners. As a result, \$750,000 in funding moved from Program Grants to Key Strategic Partners in FY18.

### **Marketing/Promotions – Increasing \$0.3 million (8%)**

- Additional marketing and promotional expenses related to the “Think-Make-Happen” campaign and increased targeted attraction efforts.

### **Payroll – Increasing \$0.8 million (8%)**

#### **Assumptions for FY18**

- An increase of three FTEs, filling new roles in the Talent Attraction, IT, and Credit and Risk divisions.
- 3% budgeted for equity increases.
- 3% health insurance premium increase.
- New employee benefit programs.

### **Operations and General – Decreasing \$80,782 (2%)**

- Reductions in Professional Service fees for both the Executive Office and Finance divisions, and partially offset by moderate increases in other division spending.

### **Pass-through federal grant expenditures – Increasing \$0.2 million (47%)**

- WEDC received a federal grant from the Department of Defense in FY16. \$0.6 million has been budgeted to be spent in FY18. The offsetting revenue to be received has also been budgeted for.

### **Capital and Debt Service – Increasing \$0.6 million (178%)**

- WEDC’s portion of the State pension liability is expected to increase substantially in FY18 due to a scheduled principal balloon payment.

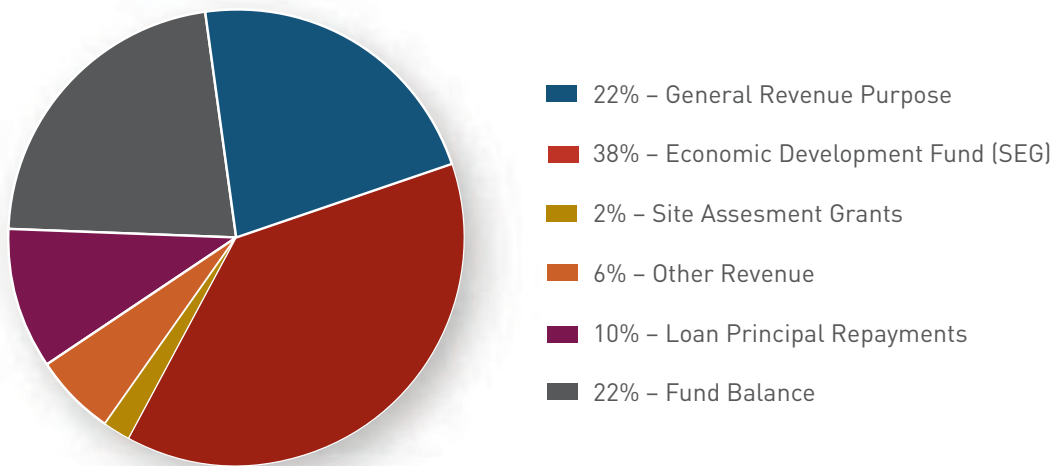
**Program Loans – Decreasing by \$1.5 million (16%)** from \$9.5 million in FY17 to \$8.0 million in FY18, due to the availability of funds.

- The Business Opportunity Loan Fund is not being funded in FY18, resulting in a decrease from its FY17 budget of \$5,000,000.
- If allowed in the 2017-19 Biennial Budget, a New Loan Fund will be developed to replace the Business Opportunity Loan Fund for FY18. The new program will be allocated \$3,000,000 in FY18.
- The Technology Development Loan Fund (TDL) program budget is increasing by \$500,000, from \$4,500,000 in FY17 to \$5,000,000 in FY18.
- Loan activity does not directly affect budgeted expenditures, other than through the loan loss reserve. However, the combination of Program Grants and Loans activity does represent the total direct economic development activity using WEDC revenues.

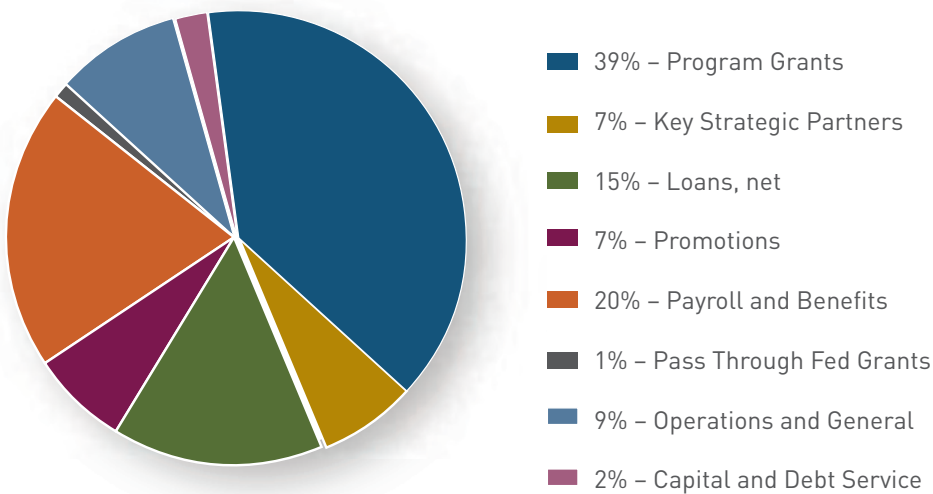
## FUND BALANCE

- In order to achieve a balanced budget for FY18, WEDC will need to use \$12.4 million of our current fund balance.
- It is expected that by the end of FY18, we will have effectively used the remaining excess fund balance that has been available to WEDC since FY15. Based on the current 2017-19 Biennial Budget, beginning in FY19, WEDC will be positioned to achieve a balanced budget with little or no help from current fund balance sources.

**FY18 BUDGET –  
SOURCES OF FUNDS \$56.9 MILLION**



**FY18 BUDGET –  
USES OF FUNDS \$56.9 MILLION**





**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

**Budget Summary - By Object**

	FY 16 Actual	FY17 Amended Budget	FY17 Budget	FY18 Budget New Funds	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Revenues</b>						
State General Purpose Revenue	\$ 6,974,700	\$ 12,474,700	\$ 12,474,700	\$ 1,519,500	\$ (10,955,200)	-88%
State Economic Development Fund (SEG)	21,776,000	21,776,000	21,776,000	32,731,200	10,955,200	50%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	393,199	2,462,376	2,357,600	1,028,590	(1,433,786)	-58%
Interest on Loans	1,120,827	1,675,047	1,000,000	1,475,000	(200,047)	-12%
Charges for services	233,108	262,000	205,000	282,000	20,000	8%
Interest on Investments	390,417	350,000	350,000	425,000	75,000	21%
Other Revenues	221,391	134,695	100,950	201,602	66,907	50%
Total Revenues	\$ 32,109,642	\$ 40,134,818	\$ 39,264,250	\$ 38,662,892	\$ (1,471,927)	-4%
<b>Expenditures</b>						
Program Grants	18,190,422	22,392,600	22,392,600	22,364,000	28,600	0%
Loan loss reserve -Collectible	4,637,799	2,575,000	2,575,000	1,000,000	1,575,000	61%
Loan loss reserve - Performance Based	4,374,037	3,600,000	1,500,000	1,500,000	2,100,000	58%
Key Strategic Partners	3,567,123	3,640,000	3,615,000	4,352,500	(712,500)	-20%
Promotions	3,173,972	3,604,367	3,478,719	3,885,528	(281,161)	-8%
Payroll and Benefits	9,439,874	10,425,500	10,671,170	11,259,902	(834,402)	-8%
Operations and General	3,975,904	5,145,374	5,173,363	5,064,592	80,782	2%
Pass-through federal grant expenditures	-	435,000	435,000	640,590	(205,590)	-47%
Capital	148,449	115,000	115,000	124,000	(9,000)	-8%
Debt Service	231,199	235,000	117,000	850,000	(615,000)	-262%
Total Expenditures	47,738,779	52,167,841	50,072,852	51,041,112	1,126,729	2%
Net Change in Fund Balance	(15,629,137)	(12,033,023)	(10,808,602)	(12,378,220)		
Beginning Fund Balance	123,573,198	107,944,061	107,944,061	95,911,038		
Ending Fund Balance	<b>\$ 107,944,061</b>	<b>\$ 95,911,038</b>	<b>\$ 97,135,459</b>	<b>\$ 83,532,818</b>	<b>\$ (12,378,220)</b>	<b>-13%</b>
<b>Projected Ending Fund Balance Composition</b>						
Nonspendable	43,185,830	43,964,722		43,622,682		
Restricted	30,074,692	24,673,994		20,014,063		
Assigned	19,777,098	18,893,147		16,365,403		
Program FYXX	11,894,677	5,124,968		-		
Unassigned	3,011,764	3,254,207		3,530,670		
Total	<b>\$ 107,944,061</b>	<b>\$ 95,911,038</b>		<b>\$ 83,532,818</b>		

Wisconsin Economic Development Corporation  
Budget Summary - by Department

	FY 16 Actual	Total FY17 Projected Allocated*	FY17 Budget	FY18 Budget	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Revenues</b>						
State General Purpose Revenue	\$ 6,974,700	\$ 12,474,700	\$ 12,474,700	\$ 1,519,500	\$ (10,955,200)	-88%
State Economic Development Fund (SEG)	21,776,000	21,776,000	21,776,000	32,731,200	10,955,200	50%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	393,199	2,462,376	2,357,600	1,028,590	(1,433,786)	-58%
Interest on Loans	1,120,827	1,675,047	1,000,000	1,475,000	(200,047)	-12%
Charges for services	233,108	262,000	205,000	282,000	20,000	8%
Interest on Investments	390,417	350,000	350,000	425,000	75,000	21%
Other Revenues	221,391	134,695	100,950	201,602	66,907	50%
Total Revenues	\$ 32,109,642	\$ 40,134,818	\$ 39,264,250	\$ 38,662,892	\$ (1,471,927)	-4%
<b>Expenditures</b>						
Operational Divisions						
Entrepreneurship & Innovation - 2000	\$ 6,611,956	\$ 7,624,063	\$ 7,396,866	\$ 6,515,762	\$ 1,108,301	15%
Business and Community Development - 3000	22,856,218	20,880,074	18,158,546	18,955,648	1,924,426	9%
Business & Investment Attraction - 3500	-	836,907	964,583	888,303	(51,396)	-6%
Sector Strategy Development - 4000	4,621,263	6,600,270	7,097,949	6,413,420	186,850	3%
Marketing & Brand Strategy - 5000	3,961,364	4,302,414	4,158,825	4,700,454	(398,040)	-9%
International Business Development - 7000	2,671,688	3,192,990	3,486,515	3,672,083	(479,093)	-15%
Legal and Compliance - 1100						
Executive Office - 1200	801,359	1,037,342	980,415	1,136,668	(99,326)	-10%
Operations & Program Performance - 1300	1,238,814	1,656,360	1,772,347	1,237,673	418,688	25%
Human Resources - 6100	-	-	-	407,762	(407,762)	0%
Finance - 6200	972,091	1,292,247	1,248,104	1,503,681	(211,434)	-16%
Technology and Information Systems - 6300	858,404	945,583	899,502	1,464,277	(518,694)	-55%
Credit and Risk - 6600	1,686,571	2,389,227	2,378,810	2,303,876	85,351	4%
Office of Public Policy - 8000	1,011,792	907,936	1,015,109	1,067,168	(159,232)	-18%
	447,259	502,427	515,281	774,337	(271,910)	-54%
Total Expenditures	\$ 47,738,779	\$ 52,167,841	\$ 50,072,852	\$ 51,041,112	\$ 1,126,729	2%
Net Change in Fund Balance						
Beginning Fund Balance	(15,629,137)	(12,033,023)	(10,808,602)	(12,378,220)		
Ending Fund Balance	123,573,198	107,944,061	107,944,061	95,911,038		
	\$ 107,944,061	\$ 95,911,038	\$ 97,135,459	\$ 83,532,818	\$ (1,224,421)	-1%
Projected Ending Fund Balance Composition						
Nonspendable	43,185,830	43,964,722		43,622,682		
Restricted	30,074,692	24,673,994		20,014,063		
Assigned	19,777,098	18,893,147		16,365,403		
Program FYXX	11,894,677	5,124,968		-		
Unassigned	3,011,764	3,254,207		3,530,670		
Total	\$ 107,944,061	\$ 95,911,038		\$ 83,532,818		

Wisconsin Economic Development Corporation  
Program Grants and Loans

Div.	Account No. and Name	FY 16 Actual	Original FY17 Budget	FY17 Budget Amended	FY18 Budget Proposed	Amended New Funds % Chg
Program Grants						
2000	6600.1 - Capacity Building Grants - E&I	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	0.0%
2000	6630 - Seed Accelerator	859,307	1,000,000	1,000,000	1,000,000	0.0%
2000	6646 - Entrepreneur Micro Grant Program	58,500	200,000	270,000	200,000	-25.9%
2000	6650 - Capital Catalyst	81,566	1,500,000	1,500,000	1,500,000	0.0%
2000	6731 - SBIR / STTR Matching Grant	1,675,000	1,000,000	1,125,000	1,000,000	-11.1%
2000	6756 - Business Incubator	250,000	-	-	-	0.0%
3000	6600 - Capacity Building Grants - BCD	334,313	500,000	480,000	500,000	4.2%
3000	6620 - Workforce Training Grants	108,222	1,000,000	945,000	2,000,000	111.6%
3000	6670 - Minority Business Development	-	750,000	750,000	-	-100.0%
3000	6676 - Regional Revolving Loan Fund Expansion	40,625	-	-	-	0.0%
3000	6680 - Community Development Investment Grant	3,817,645	3,000,000	3,430,000	3,000,000	-12.5%
3000	6710 - Site Assessment Grants	1,118,610	1,000,000	1,025,000	1,000,000	-2.4%
3000	6720 - Brownfield Grants	5,139,576	3,500,000	3,975,000	4,000,000	0.6%
3000	6725 - Idle Industrial Sites Redevelopment	2,167,410	2,300,000	2,000,000	2,000,000	0.0%
3000	6753 - Revolving Loan Fund - LEG	-	-	-	100,000	100.0%
4000	6640 - Targeted Industry Projects Grants	1,577,439	4,000,000	3,550,000	3,000,000	-15.5%
4000	6670 - Minority Business Development RLF	425,000	-	-	-	0.0%
4000	6754 - FabLab TA - LEG	-	-	-	100,000	100.0%
4000	6755 - Fabrication Laboratories	23,438	500,000	500,000	500,000	0.0%
7000	6655 - Exportech	84,900	210,000	210,000	214,000	1.9%
7000	6665.1 - International Market Access Grant	659,670	750,000	450,000	750,000	66.7%
7000	6665.2 - Collaborative Market Access Grant	202,497	450,000	450,000	450,000	0.0%
7000	6665.4 - International Market Access Grant - STEP	-	232,600	232,600	300,000	29.0%
8000	6795 - Strategic Initiatives Fund	-	-	-	250,000	100.0%
Total Program Grants		\$ 18,623,718	\$ 22,392,600	\$ 22,392,600	\$ 22,364,000	-0.1%
Loans						
2000	11xx - Technology Development Loans--State	4,563,780	3,000,000	3,000,000	3,000,000	0.0%
2000	11xx - New Technology Development Loans--SSBCI	700,000	1,500,000	1,500,000	2,000,000	33.3%
3000	11xx - Business Opportunity Loan Fund- Collectible Loans	9,445,283	3,500,000	3,500,000	-	-100.0%
3000	11xx - Business Opportunity Loan Fund - Performance Based Loans	3,670,000	1,500,000	1,500,000	-	-100.0%
3000	11xx - New Loan Fund - Collectible Loans	-	-	-	3,000,000	100.0%
3000	11xx - Special Project Loan Fund	373,667	-	-	-	0.0%
Total Loans Gross		18,752,730	9,500,000	9,500,000	8,000,000	-15.8%
Less: expected loan repayments		(9,381,426)	(6,103,876)	(7,409,934)	(5,901,040)	-20.4%
Less: loan loss reserve in expenditures		(9,011,836)	(4,075,000)	(6,175,000)	(2,500,000)	-59.5%
Net funding for loans		359,468	(678,876)	(4,084,934)	(401,040)	-90.2%
Total Direct Economic Development		\$ 37,376,448	\$ 31,892,600	\$ 31,892,600	\$ 30,364,000	

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**Appropriation by Object - with Department Detail**

	FY 16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Programs</b>						
Entrepreneurship & Innovation - 2000	\$ 2,924,373	\$ 4,200,000	\$ 4,395,000	\$ 4,200,000	\$ 195,000	4%
Business and Community Development - 3000	12,293,105	12,050,000	12,605,000	12,600,000	5,000	0%
Sector Strategy Development - 4000	2,025,877	4,500,000	4,050,000	3,600,000	450,000	11%
International Business Development - 7000	947,067	1,642,600	1,342,600	1,714,000	(371,400)	-28%
Office of Public Policy - 8000	-	-	-	250,000	(250,000)	0%
Total Programs	18,190,422	22,392,600	22,392,600	22,364,000	28,600	0%
<b>Partnerships</b>						
Entrepreneurship & Innovation - 2000	1,275,000	1,250,000	1,275,000	1,250,000	25,000	2%
Business and Community Development - 3000	494,763	805,000	805,000	1,622,500	(817,500)	-102%
Sector Strategy Development - 4000	1,555,000	1,250,000	1,250,000	1,250,000	-	0%
International Business Development - 7000	242,360	310,000	310,000	230,000	80,000	26%
Total Partnerships	3,567,123	3,615,000	3,640,000	4,352,500	(712,500)	-20%
<b>Loan Loss Reserve</b>						
Entrepreneurship & Innovation - 2000	1,912,845	1,400,000	1,400,000	500,000	900,000	64%
Business and Community Development - 3000	7,098,991	2,675,000	4,775,000	2,000,000	2,775,000	58%
Total Loan Loss Reserve	9,011,836	4,075,000	6,175,000	2,500,000	3,675,000	60%
<b>Marketing &amp; Brand Strategy - 5000</b>	3,173,972	3,478,719	3,604,367	3,885,528	(281,161)	-8%
<b>Payroll and Benefits</b>						
Legal and Compliance - 1100	663,961	865,584	933,910	1,025,803	(91,893)	-10%
Executive Office - 1200	897,388	1,420,647	1,312,860	969,923	342,938	26%
Operations & Program Performance - 1300	-	-	-	373,212	(373,212)	0%
Entrepreneurship & Innovation - 2000	451,514	510,166	517,113	529,062	(11,949)	-2%
Business and Community Development - 3000	2,292,562	2,057,546	2,074,214	2,185,448	(111,234)	-5%
Business & Investment Attraction - 3500	-	440,860	309,184	315,260	(6,076)	-2%
Sector Strategy Development - 4000	794,824	768,749	761,870	781,455	(19,585)	-3%
Marketing & Brand Strategy - 5000	657,373	680,106	698,047	814,926	(116,879)	-17%
Human Resources - 6100	379,350	470,529	515,222	675,395	(160,173)	-31%
Finance - 6200	510,777	495,492	425,816	439,009	(13,193)	-3%
Technology and Information Systems - 6300	614,945	694,598	714,068	802,102	(88,034)	-12%
Credit and Risk - 6600	998,380	996,859	892,886	1,049,418	(156,532)	-18%
International Business Development - 7000	749,902	779,003	784,233	801,052	(16,819)	-2%
Office of Public Policy - 8000	428,898	491,031	486,077	497,837	(11,760)	-2%
Total Payroll and Benefits	9,439,874	10,671,170	10,425,500	11,259,902	(834,402)	-8%

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**Appropriation by Object - with Department Detail**

	<b>FY 16 Actual</b>	<b>FY17 Budget</b>	<b>FY17 Amended Budget</b>	<b>FY18 Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>% Chg Favorable (Unfavorable)</b>
<b>Operations and General</b>						
Legal and Compliance - 1100	137,398	114,831	103,432	110,865	(7,433)	-7%
Executive Office - 1200	341,426	351,700	343,500	267,750	75,750	22%
Operations & Program Performance - 1300	-	-	-	34,550	(34,550)	0%
Entrepreneurship & Innovation - 2000	48,224	36,700	36,950	36,700	250	1%
Business and Community Development - 3000	676,797	571,000	620,860	547,700	73,160	12%
Business & Investment Development - 3500	-	523,723	527,723	573,043	(45,320)	-9%
Sector Strategy Development - 4000	245,562	144,200	103,400	141,375	(37,975)	-37%
Human Resources - 6100	592,741	702,575	702,025	744,286	(42,261)	-6%
Finance - 6200	116,428	247,010	244,768	135,268	109,500	45%
Technology and Information Systems - 6300	1,053,196	1,684,212	1,675,159	1,501,774	173,385	10%
Credit and Risk - 6600	13,412	18,250	15,050	17,750	(2,700)	-18%
International Business Development - 7000	732,359	754,912	756,157	927,031	(170,874)	-23%
Office of Public Policy - 8000	18,361	24,250	16,350	26,500	(10,150)	-62%
Total Operation and General	3,975,904	5,173,363	5,145,374	5,064,592	80,782	2%
<b>Pass-through federal grant expenditures</b>	-	435,000	435,000	640,590	(205,590)	-47%
<b>Capital</b>						
Marketing & Brand Strategy - 5000	130,019	-	-	-	-	0%
Human Resources - 6100	-	75,000	75,000	84,000	(9,000)	-12%
Finance - 6200	-	40,000	40,000	40,000	-	0%
Technology and Information Systems - 6300	18,430	-	-	-	-	0%
Total Capital	148,449	115,000	115,000	124,000	(9,000)	-8%
<b>Debt Service</b>						
Finance - 6200	231,199	117,000	235,000	850,000	(615,000)	-262%
Technology and Information Systems - 6300	-	-	-	-	-	0%
	231,199	117,000	235,000	850,000	(615,000)	-262%
Total	\$ 47,738,779	\$ 50,072,852	\$ 52,167,841	\$ 51,041,112	1,126,729	2%







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# EXECUTIVE OFFICE



# EXECUTIVE OFFICE

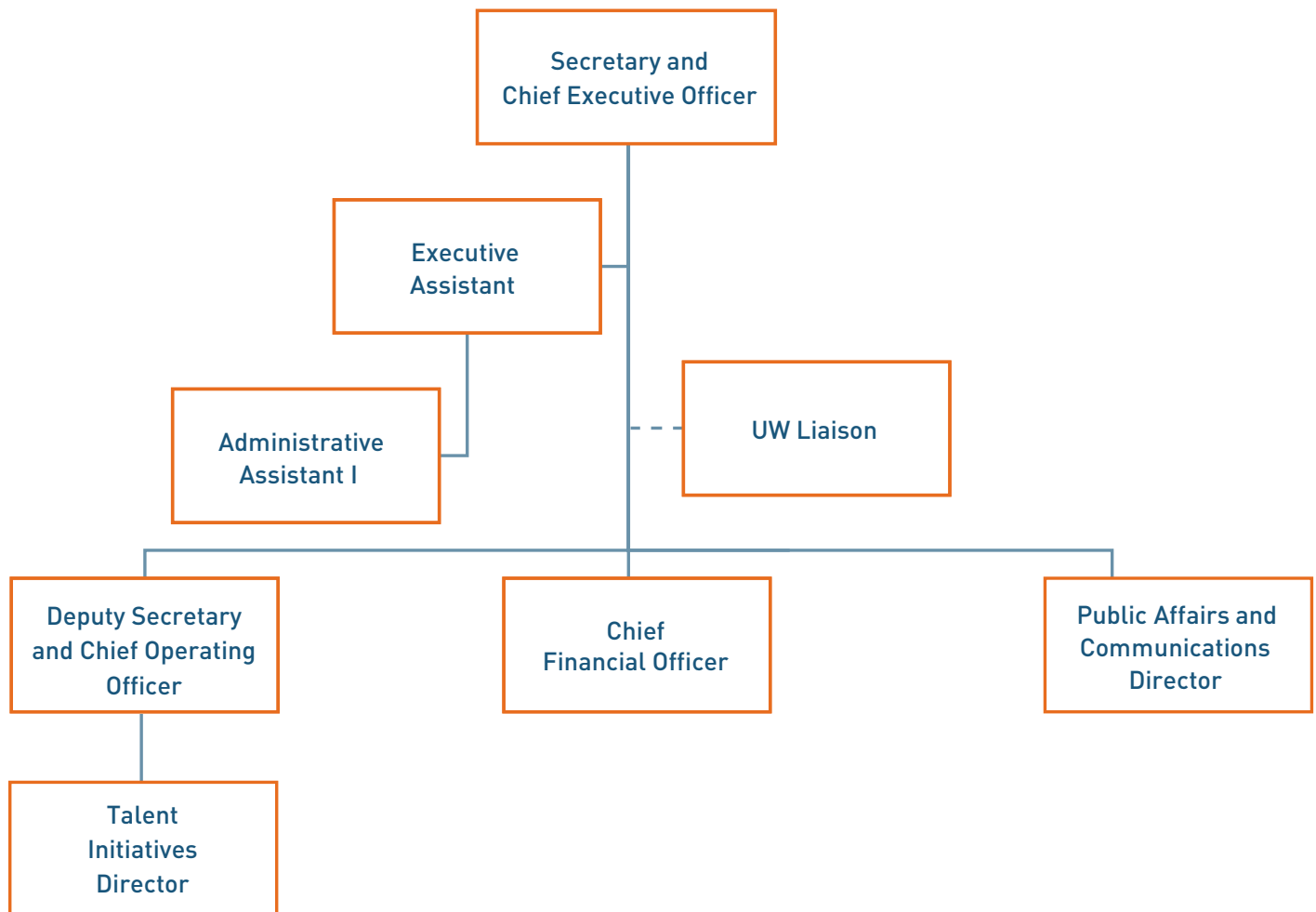
The Executive Office is charged with providing strategic direction, ensuring effective programming and compliance, managing stakeholder relations, and building a high-performing organization.

## GOALS

The Executive Office has five goals:

- Work with and support the Board of Directors to set long-term and annual economic development strategies and goals, and to ensure oversight and compliance with statute and policy.
- Develop and manage the Strategic Plan, which communicates and supports the strategic goals and objectives for senior leadership and which ensures outcomes and benchmarks are met.
- Coordinate WEDC strategies and communication with State of Wisconsin leadership (Governor and Legislature).
- Manage external stakeholder relations.
- Recommend innovative economic development policy initiatives for the Governor and Legislature to consider.

## STAFFING



## PUBLIC AFFAIRS AND COMMUNICATIONS DIRECTOR

### GOALS

#### The Public Affairs and Communications Director has five goals:

- Strategically promote the programs and initiatives that showcase the broad spectrum of work done by WEDC.
- Collaborate with businesses, communities and other stakeholders to plan and implement public events that highlight WEDC economic development initiatives.
- Help build relationships with legislators, other state agencies, academic institutions, and local, regional and state economic development organizations to increase awareness of WEDC's economic development efforts and their local impact.
- Work with WEDC leadership to develop consistent internal and external messaging regarding the organization's operations, programs and policies.
- Respond to inquiries about WEDC in a timely and accurate manner.

### ADMINISTRATIVE OVERSIGHT

The Public Affairs and Communications Director manages the “public face” of WEDC and the front line for inquiries received from the media, and utilizes several strategies to promote WEDC's role in growing the state's economy. The director works collaboratively with all divisions to assist them in promoting their key initiatives and programs. The director works especially close with the Executive Office, the Office of Public Policy and the Marketing and Brand Strategy Division to ensure that WEDC's message is consistently and strategically conveyed throughout the state.

### STAFFING

**Director** – Reports to the CEO. Works across divisions to strategically identify, communicate and promote WEDC's accomplishments.

### KEY STRATEGIC INITIATIVES

- Pursue aggressive in-state media relations strategy that draws positive attention to WEDC strategies, investments and measurable impact, localizing stories to the areas benefitting from new business and community development initiatives.
- Promote WEDC's organizational and programmatic successes through the @WEDCNews Twitter account. Develop strategies to increase the number of followers and audience engagement.

## TALENT INITIATIVES DIRECTOR

### GOALS

**The Talent Initiatives Director, a shared function of WEDC and the UW System, has four goals:**

- Work closely with WEDC Executive Team to support strategic talent initiatives across the organization.
- Actively engage with the leadership of young professional (YP) groups across Wisconsin to serve as a strategic communicator and central point of contact to help in the development and execution of cohesive and aligned YP strategies and initiatives
- Provide support for the UW System Business Council and other public/private discussion forums to increase dialogue with business leaders, elected officials, and citizen groups.
- In conjunction with the UW System Office of Economic Development, provide support for execution of strategic initiatives developed as part of the 2020FWD agenda.

### ADMINISTRATIVE OVERSIGHT

The Talent Initiatives Director leads and coordinates efforts to attract, retain and develop the workforce that communities and businesses will need to thrive in a globally competitive environment. Specifically, the individual will serve as the primary point person for WEDC to help align local, regional and statewide talent and workforce initiatives; develop and disseminate best practices; work across organizational boundaries to provide insight and policy development that supports the talent needs of Wisconsin's businesses; and serve as liaison to organizations and institutions seeking to develop and support complementary talent initiatives.

This role serves as a joint liaison with the UW System Office of Economic Development and supports the planning and implementation of efforts to leverage the University of Wisconsin System's economic development assets to drive statewide growth.

### STAFFING

**Talent Initiatives Director** - Reports to the COO. Works closely with the UW System leadership, the UW System Board of Regents, its Research, Economic Development and Innovation (REDI) Committee, and its statewide network of institutions to assess, shape and coordinate the implementation of mutually beneficial strategies targeting talent development supported jointly by WEDC and UW System.

### KEY STRATEGIC INITIATIVES

- With the Marketing and Brand Strategy Division, coordinate messaging, outreach and events intended to help ensure the targeted talent audiences are engaged in promoting Wisconsin, as well as embrace key Think-Make-Happen messaging.
- Work collaboratively with post-secondary institutions to help encourage Wisconsin graduates via alumni groups and other networks to engage or reconnect with Wisconsin communities and companies.
- Communicate the current and future talent needs of Wisconsin's targeted industries to organizations engaged in talent attraction or development efforts, as well as to help develop programs specific to these recruitment efforts.

## UW SYSTEM ECONOMIC DEVELOPMENT LIAISON

### GOALS

**The Office of Economic Development liaison, a shared function of WEDC and the UW System, has three goals:**

- Foster increased UW System connection with current and prospective Wisconsin businesses.
- Accelerate entrepreneurship, tech transfer and commercialization of university research.
- Support and encourage “Triple Helix” collaborations of university, government and business initiatives to develop a stronger workforce, build communities and foster job creation.

### ADMINISTRATIVE OVERSIGHT

The UW System is one of Wisconsin’s largest economic development assets. The liaison role represents a vital partnership for identifying and coordinating linkages between the UW System and WEDC’s strategies of targeted business and industry development, entrepreneurial growth, international business development and job creation. We believe this jointly funded position is unique within university/government collaborations across the nation. A core function of this role is to work in close collaboration with WEDC leadership, with the UW System Board of Regents, and with internal and statewide networks in order to leverage UW System resources in support of WEDC’s economic and business development initiatives.

### STAFFING

**Associate Vice President of Economic Development** - Reports to the CEO. Responsible for leading the planning and implementation of initiatives and programs to leverage the University of Wisconsin System’s economic development assets in order to drive statewide business development and growth.

### KEY STRATEGIC INITIATIVES

- Strengthen WEDC/UW partnerships, policy alignment and collaborations, which expand opportunities for internships, mentorships and other career pathways and support talent attraction, development and retention.
- Review and assess research, technology and innovation assets, initiatives, and opportunities, and highlight successes at the Research, Economic Development, and Innovation Committee of the UW System Board of Regents.
- Explore and launch additional seed fund/match grant programs to accelerate technology transfer and product commercialization and seek additional external funding/match grants to further leverage results.

### BUDGET NOTES – EXECUTIVE OFFICE

**Significant changes between the FY17 and FY18 budgets include**

- Payroll and benefits are decreasing due to the breakout of the Operation and Program Performance staff into their own division for FY18 and the transfer of the Public Relations Manager to the Marketing Division.
- In addition, merit and incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.
- Partially offsetting these decreases is the addition of one FTE to assist WEDC in its talent attraction efforts. WEDC and UW-Madison will share this FTE, and UW-Madison’s payments to WEDC will be recognized as other revenue.
- Operating and General expenses are decreasing as the need for professional fees, including temporary help, is expected to decrease.

**Wisconsin Economic Development Corporation**  
**Detailed Budget Worksheet**

**Executive Office - 1200**

<b>Account No. and Name</b>	<b>FY16 Actual</b>	<b>FY17 Budget</b>	<b>FY17 Amended Budget</b>	<b>FY18 Budget</b>	<b>New Funds % Chg</b>
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4043 - Revenue-SKILLS Admin	18,151	-	-	-	0.0%
4110 - State GPR Funds	6,974,700	12,474,700	12,474,700	1,519,500	-87.8%
4120 - State SEG Funds	21,776,000	21,776,000	21,776,000	32,731,200	50.3%
4170 - Revenue-Other Income	-	-	-	44,302	100.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>28,768,851</b>	<b>34,250,700</b>	<b>34,250,700</b>	<b>34,295,002</b>	<b>0.1%</b>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	93,473	180,411	158,478	96,367	-39.2%
6010 - Benefits- Life Insurance	346	491	701	799	14.0%
6015 - Benefits-Retirement	44,514	67,447	66,883	49,932	-25.3%
6020 - Benefits- Payroll Taxes	47,034	78,179	67,997	56,173	-17.4%
6023 - Benefits -HSA	692	-	2,971	1,558	-47.6%
6025 - Benefits Other	-	-	3,473	2,000	-42.4%
6040 - Merit/Incentives	3,550	74,181	74,181	6,630	-91.1%
6050 - Compensation- Salary	696,519	999,938	918,175	741,631	-19.2%
6055 - Professional Development	11,260	20,000	20,000	14,833	-25.8%
<b>Total Payroll and Benefits</b>	<b>897,388</b>	<b>1,420,647</b>	<b>1,312,860</b>	<b>969,923</b>	<b>-26.1%</b>
<b>Operating and General</b>					
6120 - Office Expense- Other	44,418	25,000	23,000	25,000	8.7%
6200 - Professional Fees- Consulting Fees	240,161	255,000	255,000	185,000	-27.5%
6245 - Dues, Subscriptions, and Memberships	8,661	4,200	6,000	4,500	-25.0%
6360 - Supplies & Equipment- Office Supplies	12,982	18,000	12,000	11,250	-6.3%
6375 - Events and Conferences	11,359	10,000	10,000	10,000	0.0%
6377 - Business Meals	-	-	2,500	2,500	0.0%
6380 - Travel- Lodging	3,941	10,000	8,000	6,000	-25.0%
6390 - Travel - Meals	7,564	8,500	6,000	5,500	-8.3%
6410 - Travel - Other	19	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	12,321	20,000	20,000	17,000	-15.0%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>341,426</b>	<b>351,700</b>	<b>343,500</b>	<b>267,750</b>	<b>-22.1%</b>
<b>Total Expenditures</b>	<b>\$ 1,238,814</b>	<b>\$ 1,772,347</b>	<b>\$ 1,656,360</b>	<b>\$ 1,237,673</b>	<b>-25.3%</b>





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# BUSINESS AND COMMUNITY DEVELOPMENT



# BUSINESS AND COMMUNITY DEVELOPMENT

## GOALS

The Business and Community Development (BCD) Division has four goals:

- Provide financial and technical assistance to Wisconsin businesses and communities to help them take advantage of opportunities that improve their economic future and chances of long-term success.
- Effectively leverage WEDC funds with private dollars to maximize business and community investments.
- Expand the capacity of stakeholders and economic development partners.
- Increase the number of Wisconsin economic developers with professional education and certifications through a partnership with WEDA.

## KEY PERFORMANCE INDICATORS

In FY18, the BCD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 105 businesses	Unique number of businesses determined by reports generated through awards administration system
Provide programmatic technical assistance to 1,390 businesses	Unique number of businesses reported through WEDC's CRM and Key Strategic Partnerships
Provide financial assistance to 78 communities	Unique number of communities determined by reports generated through awards administration system
Provide programmatic technical assistance to 105 communities	Unique number of communities reported through WEDC's CRM
Impact 11,260 jobs <ul style="list-style-type: none"><li>• Assist in creating 5,410 jobs</li><li>• Assist in retaining 5,850 jobs</li></ul>	Reports generated through awards administration system
Achieve a 17:1 leverage ratio	Reports generated through awards administration system
Assist 30 partner organizations	Awards made through programs and through Key Strategic Partnerships and others
Increase the access to training and certification of local economic development partners through our contact with the Wisconsin Economic Development Association (WEDA)	Through reporting by WEDA on new Certified Economic Developers (CEcD) and Economic Development Finance Professionals (EDFP) and local partners participating in training
Provide WEDC presentations to 20 professional service providers and proactive outreach to 100 Wisconsin companies	Professional Service Provider Outreach campaigns in CRM; Wisconsin Business Outreach Initiative campaigns in CRM

## OPERATING PLAN

In FY18, BCD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.



## BUSINESS DEVELOPMENT PROGRAMS

BUSINESS DEVELOPMENT TAX CREDITS	
Description	Supports job creation, capital investment, training, and corporate headquarters location or retention by providing businesses located in or relocating to Wisconsin with refundable tax credits that can help reduce their Wisconsin income/franchise tax liability or provide a refund, thereby helping to enhance their cash flow to expand payroll, the project's scope, or accelerate the timing of the project.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$22,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 45 businesses</li> <li>Support the creation of 3,500 jobs and retention of 4,000 jobs</li> <li>Achieve a 20:1 leverage of other investment</li> </ul>

NEW BUSINESS LENDING FUND	
Description	Pending approval through the 2017-19 Biennial Budget, this program will provide financing options to businesses for retention, expansion or relocation to Wisconsin. Program guidelines for a new lending fund will be developed in Q1 FY18
Strategic Pillar	Business Development – Business Expansion and Retention
Budget (Non-Staff Expenses)	\$3,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>To be developed</li> </ul>

CAPACITY BUILDING GRANTS	
Description	Assist local and regional economic development groups, furthering the efforts of WEDC to create an advanced economic development network within the state of Wisconsin. The primary use of the funds is for assessment of the economic competitiveness of the area; development of a Comprehensive Economic Development Strategy; and support of strategies that will benefit the recipient organizations and their members through operational efficiencies, strategy development, education/skill development or increased collaboration with other organizations.
Strategic Pillar	Community and Economic Opportunity
Budget	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Support 10 projects</li> </ul>

DEVELOPMENT OPPORTUNITY ZONE	
Description	Supports job creation, job retention, capital investment, and environmental remediation to businesses in the Cities of Beloit, Janesville and Kenosha by providing non-refundable tax credits that help to reduce a company's Wisconsin state income tax liability, thereby helping to enhance its cash flow to either increase the expansion project's scope and/or accelerate the timing of the project and/or enhance payroll.
Strategic Pillar	Business Development – Business Expansion and Retention
Budget (Non-Staff expenses)	\$2,972,650 Janesville; \$9,519,000 Beloit; \$9,250,000 Kenosha
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 4 businesses</li> <li>Support the creation of 10 jobs</li> <li>Support the retention of 200 jobs</li> <li>Achieve a 25:1 leverage ratio</li> </ul>

### ENTERPRISE ZONE TAX CREDITS

Description	Supports projects involving major expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin by providing refundable tax credits for job creation, job retention, capital investment, employee training and Wisconsin supply chain investment. Up to 30 zones authorized, 3 of which must be designated in areas with populations totaling less than 5,000 and 2 of the zones must be designated in areas with populations totaling at least 5,000 but less than 30,000.
Strategic Pillar	Projects must support at least one strategic pillar
Budget (Non-Staff expenses)	7 zones remaining (2 reserved for communities < 5,000 in population)
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 3 businesses</li> <li>• Support the creation of 1,500 jobs</li> <li>• Support the retention of 1,000 jobs</li> <li>• Achieve a 5:1 leverage ratio</li> </ul>

### INDUSTRIAL REVENUE BONDING

Description	Allocate the bonding authority or the volume cap under 238.10 Wisconsin Statutes for tax-exempt bonds that can be used to stimulate capital investment and job creation by providing private borrowers with access to financing at interest rates that are lower than conventional bank loans. The IRB process involves five separate entities – the borrower, lender, bond attorney, issuer, and WEDC.
Strategic Pillar	Business Development – Retention and Expansion
Budget (Non-Staff Expenses)	\$283,935,400 (Calendar year allocation)
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 5 businesses</li> </ul>

### MINORITY BUSINESS DEVELOPMENT

Description	Support minority and underserved communities through business creation, business expansion and minority community business attraction. This is accomplished through direct grant assistance to qualifying entities. The four statewide minority chambers of commerce have been newly assigned as Key Strategic Partners.
Strategic Pillar	Community and Economic Opportunity – Minority Business Development
Budget (Non-Staff Expenses)	\$0
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• The expected outcomes will be defined should funding be made available. (\$750,000 has been re-allocated for the state minority chambers of commerce newly designated as Key Strategic Partners.)</li> </ul>

### WORKFORCE TRAINING GRANTS

Description	Provide grants to businesses in workforce retention and expansion into new markets and technology. Funding would allow for upgrades or improvements to job-related skills of business' full-time employees after other state training options have been explored.
Strategic Pillar	Business Development – Retention and Expansion
Budget (Non-Staff Expenses)	\$2,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 8 businesses</li> <li>• Support training of 400 employees</li> </ul>

## COMMUNITY DEVELOPMENT PROGRAMS

BROWNFIELDS GRANTS	
Description	Provide grant funds under 238.13, Wisconsin Statutes to local governments, businesses, non-profits and individuals for redeveloping commercial and industrial sites that have been adversely impacted by environmental contamination documented in Phase I and II Environmental Reports. Grants require at least a 70 percent match of the eligible project expenditures and are awarded primarily to reimburse remediation expenditures so that environmental closure can be attained for the project site and the property can be utilized for a more productive use.
Strategic Pillar	Community and Economic Opportunity – Community Development
Budget (Non-Staff Expenses)	\$4,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 12 communities</li> <li>• Achieve a 33:1 leverage ratio</li> </ul>

COMMUNITY DEVELOPMENT INVESTMENT GRANTS	
Description	Provides grants to support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community driven efforts.
Strategic Pillar	Community and Economic Opportunity - Community Development
Budget (Non-Staff Expenses)	\$3,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 12 communities</li> <li>• Achieve a 22:1 leverage ratio</li> </ul>

HISTORIC PRESERVATION TAX CREDITS	
Description	Provides transferable tax credits (20% of qualified rehabilitation expenses) to eligible entities rehabilitating certified historic buildings. Historic rehabilitation incentivized through this program must be recommended by the State Historic Preservation Office (SHPO) as certified historic properties. The credits may be transferred to a third party in exchange for cash.
Strategic Pillar	Community and Economic Opportunity - Downtown Development
Budget (Non-Staff Expenses)	Allocation - pending 2017-19 Biennial Budget passage
Activities and Expected Outcome	<ul style="list-style-type: none"> <li>• Assist 40 communities</li> <li>• Achieve 5:1 leverage ratio</li> <li>• Pending 2017-19 Biennial Budget passage</li> </ul>

### IDLE SITES REDEVELOPMENT GRANTS

Description	Grant funds up to \$500,000 to Wisconsin communities for implementation of redevelopment plans for large sites that have been idle, abandoned, or underutilized for a period of at least five years. Approved projects can use funds for demolition, environmental remediation, infrastructure or site-specific improvements defined in a redevelopment plan to advance the site to shovel ready status or enhance the site's market attractiveness.
Strategic Pillar	Community and Economic Opportunity – Community Development
Budget (Non-Staff Expenses)	\$2,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 4 communities</li> <li>• Achieve a 20:1 leverage ratio</li> </ul>

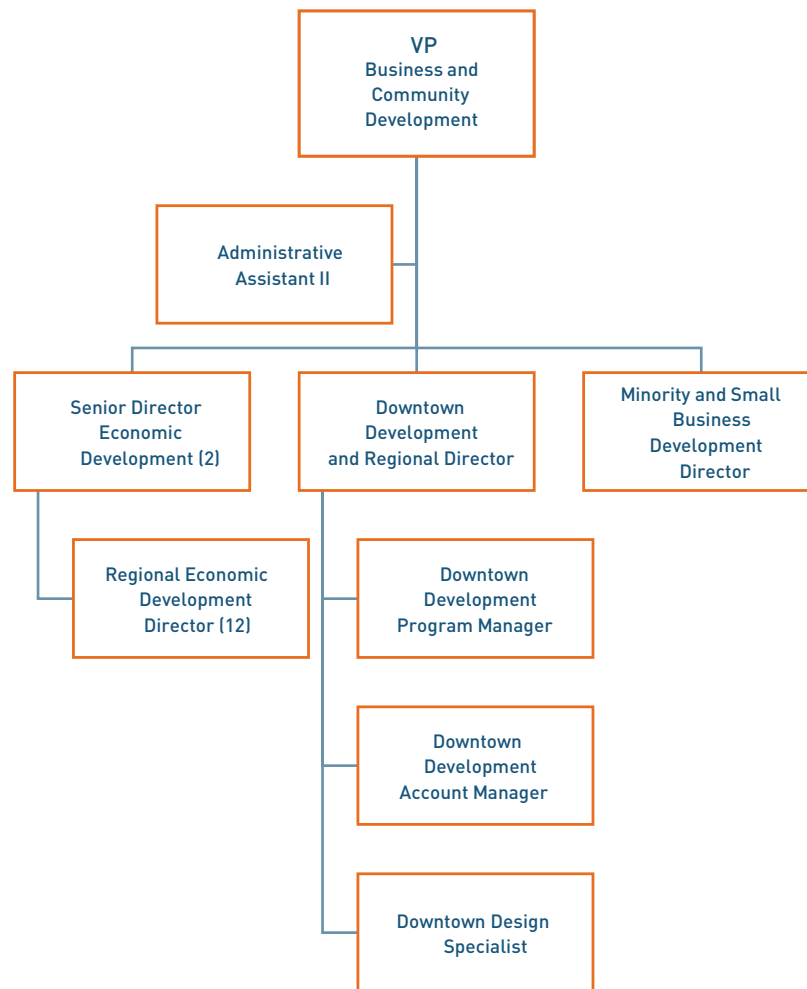
### MAIN STREET AND CONNECT COMMUNITIES

Description	Provides technical assistance to communities in the planning, management, and implementation of strategic development projects in downtowns and urban neighborhoods. This includes Main Street support and Connect Communities, which is aimed at supplementing the Main Street program by expanding services to more downtowns across the state.
Strategic Pillar	Community and Economic Opportunity – Downtown Development
Budget (Non-Staff expenses)	\$250,000 (non-aids)
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Add 1 Main Street community to current 34</li> <li>• Add 6 Connect Communities to current 64</li> <li>• Assist 90 businesses</li> </ul>

### BROWNFIELD SITE ASSESSMENT GRANTS

Description	Provide grants up to \$150,000 to local governments seeking to redevelop sites with economic or community development potential that are or may be adversely impacted by environmental contamination. Grant funds are to be utilized to define the degree and extent of groundwater and soil contamination, along with identifying and assessing vapor intrusion issues.
Strategic Pillar	Community and Economic Opportunity – Community Development
Budget (Non-Staff expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 10 communities</li> <li>• Achieve a 2:1 leverage ratio</li> </ul>

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division and assures execution of the divisional operating plan.

**Administrative Assistant** – Provides administrative support to senior-level staff and supports daily operational needs of the BCD division.

**Senior Economic Development Director** – Manages and develops programs, makes policy recommendations and the development of staff, and is the immediate supervisor for the regional economic development directors. First point of contact between the regional directors and underwriting / legal / fiscal with business investment strategies.

**Regional Economic Development Director** – Provides project management and delivers projects within the established budget and timeline as it relates to business and community development assistance within the BCD division. Primary contact for intake of applications, technical and financial assistance for BCD programs, and initial intake for other WEDC opportunities.

**Minority and Small Business Development Director** – Oversees WEDC involvement in all aspects of the minority and underserved business community and relationships with the State's four minority-based chambers of commerce and related entities. Direct oversight of WEDC's investment in its key strategic partnership with the Wisconsin Procurement Institute, and the state minority chambers of commerce.

**Downtown Development and Regional Director** – Coordinates support staff and resources as necessary to meet program goals; makes policy recommendations; serves as the immediate supervisor for the downtown development team. Point of contact between the regional directors and underwriting / legal / fiscal with business investment strategies.

**Downtown Development Program Manager; Downtown Development Account Manager; Downtown Designer** – Responsible for program design, execution and performance for downtown development programs. The downtown development team coordinates outreach to stakeholders, staff and customers on program-related issues. The team is responsible for ongoing improvement of program execution, including making policy recommendations if appropriate, and for assisting property owners and businesses located within the respective districts.

## KEY STRATEGIC PARTNERSHIPS

In FY18, BCD will work with the following organizations to deliver WEDC's mission:

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS	
Description	WEDC awards annual grants to regional economic development organizations under 238.135, Wisconsin Statutes to fund marketing and other activities. Currently there are nine regional economic development entities: M7, MadREP, Prosperity Southwest, 7 Rivers Region, Momentum West, Visions Northwest, Grow North, Centergy, and New North.
Strategic Pillar	<ul style="list-style-type: none"> <li>• Business Development – Retention and Expansion</li> <li>• Business Development – Business and Investment Attraction</li> <li>• Business Development – Export and International Trade</li> <li>• Business Development – Entrepreneurship and Innovation</li> </ul>
Budget (Non-Staff Expenses)	\$547,500
Activities and Expected Outcomes	<p><b>Annual contracts with the regions relate to six primary focus areas:</b></p> <ul style="list-style-type: none"> <li>• Convener, facilitator and partner for local economic development entities in the respective regions</li> <li>• Marketing agents for the regions</li> <li>• Business retention and expansion (BRE) coordinated efforts</li> <li>• Generate business and community data information</li> <li>• Resource referral or primary contact for business</li> <li>• Talent and Workforce development assistance (Inspire License)</li> </ul>

WISCONSIN PROCUREMENT INSTITUTE	
Description	Wisconsin Procurement Institute (WPI) is a non-profit organization whose mission is to assist Wisconsin businesses in creating, developing and growing their Federal, State, and Local Government sales, revenues, profits and jobs by providing access to federal and state contracting opportunities.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$325,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 1,200 businesses</li> <li>• Assist in the creation of 200 jobs</li> <li>• Assist the retention of 300 jobs</li> <li>• Assist Wisconsin companies to secure \$100 million in new federal and state procurement contracts</li> <li>• Provide 10 conferences, technical trainings or outreach events in Wisconsin</li> </ul>

MINORITY CHAMBERS OF COMMERCE	
Description	<p>Support minority business development through business creation, expansion and attraction and training. This is accomplished through direct grant assistance to qualifying minority business entities in Wisconsin for revolving loan fund technical assistance, KIVA micro-lending, and organizational support. The organizations are:</p> <p><b>African American Chamber of Commerce (AACC)</b> Affiliates: Wisconsin Black Chamber of Commerce, Madison Black Chamber of Commerce</p> <p><b>American Indian Chamber of Commerce/First American Capital Corp. (FACC)</b> Affiliate: Wisconsin Indian Business Alliance (WIBA)</p> <p><b>Hmong Chamber of Commerce (HWCC)</b> Affiliates: Latino Entrepreneurial Network (LEN), Hmong Business Coalition</p> <p><b>Hispanic Chamber of Commerce (HCCW)</b> Affiliate: Latino Chamber of Commerce – Dane County</p>
Strategic Pillar	Community and Economic Opportunity – Minority Business Development
Budget (Non-Staff Expenses)	\$750,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 10 minority and diverse business entities</li> <li>• Support 20 businesses through RLF loans</li> <li>• Support 20 businesses through KIVA micro-loans</li> <li>• Support 100 businesses through substantive technical assistance</li> <li>• Create 200 jobs</li> <li>• Retain 350 jobs</li> </ul>

## KEY STRATEGIC INITIATIVES

- Increase workforce and talent development through increased funding in the Workforce Training Grant program and financially covering the INSPIRE license through the Regional Economic Development Organizations to provide statewide access.
- Lead development of rural economic development strategy.
- Develop and deliver Economic Development academy in partnership with WEDA to increase awareness of profession and measurable economic development outcomes.
- Increase micro-lending access through KIVA.

## BUDGET NOTES

### Significant changes between the FY17 and FY18 budgets include:

- Program Grants are relatively flat at an aggregate level. Increases in Workforce Training Grant funding are offset by decreases in Community Development Grants and the movement of four award recipients in the Minority Business Development Program to Key Strategic Partners.
- Key Strategic Partnerships are increasing. In addition to the Minority Business Development partners, whose funding has moved from Program Grants, Regionals KSPs are increasing due to implementation of the INSPIRE platform, and the Wisconsin Procurement Institute partnership is increasing as we add additional support to help companies with federal contracts.



- Payroll and benefits are increasing due to mid-year FY17 positions that were added.
- Operating and General expenses are decreasing as FY17 contained a one time adjustment in Other Expense that is not expected to repeat in FY18.
- Bad Debt for Performance Based loans in FY18 consists of loans committed and contracted for in FY17, but whose draws will not occur until FY18. There are no new Performance Based loans being committed in FY18.
- The Business Opportunity Loan Fund is not being funded in FY18, but is expected to be replaced by a new loan program whose program guidelines will be developed in FY18, if passed in the 2017-19 Biennial Budget.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Business and Community Development - 3000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4130 - State Brownfield Site Asses. Grant	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
4145 - State Loan Repayments	840,908	500,000	947,210	780,000	-17.7%
4146 - Contra-Revenue	(565,063)	-	-	-	0.0%
4147 - Interest - Forgivable Loans	531,709	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(155,352)	-	-	-	0.0%
4170 - Revenue-Other Income	25,504	-	24,000	24,000	0.0%
4182 - Award Penalty Fees	68,760	-	-	-	0.0%
4185 - Sponsorship Contributions	7,000	40,000	62,000	62,000	0.0%
<b>Total Revenues</b>	<b>1,753,466</b>	<b>1,540,000</b>	<b>2,033,210</b>	<b>1,866,000</b>	<b>-8.2%</b>
<b>Expenditures</b>					
<b>Program Grants</b>					
6600 - Capacity Building Grants -BCD	334,313	500,000	480,000	500,000	4.2%
6610 - Business Expansion & Retention	(433,296)	-	-	-	0.0%
6620 - Workforce Training Grants	108,222	1,000,000	945,000	2,000,000	111.6%
6670 - Minority Revolving Loan Fund Expansion	-	750,000	750,000	-	-100.0%
6676 - Regional Revolving Loan Fund Expansion	40,625	-	-	-	0.0%
6680 - Community Development Investment Grants	3,817,645	3,000,000	3,430,000	3,000,000	-12.5%
6710 - Brownfield Site Assessment Grants	1,118,610	1,000,000	1,025,000	1,000,000	-2.4%
6720 - Brownfield Program Grants	5,139,576	3,500,000	3,975,000	4,000,000	0.6%
6725 - Idle Industrial Sites Redevelopment Program	2,167,410	2,300,000	2,000,000	2,000,000	0.0%
6753 - Revolving Loan Fund - LEG	-	-	-	100,000	100.0%
<b>Total Program Grants</b>	<b>12,293,105</b>	<b>12,050,000</b>	<b>12,605,000</b>	<b>12,600,000</b>	<b>0.0%</b>
<b>Key Strategic Partnerships</b>					
5155 - Minority Business Development	-	-	-	750,000	100.0%
5160 - Regionals	494,763	500,000	500,000	547,500	9.5%
5185 - Wisconsin Procurement Institute	-	305,000	305,000	325,000	6.6%
<b>Total Key Strategic Partnerships</b>	<b>494,763</b>	<b>805,000</b>	<b>805,000</b>	<b>1,622,500</b>	<b>101.6%</b>
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	329,597	325,942	317,135	306,654	-3.3%
6010 - Benefits- Life Insurance	1,718	1,626	1,530	1,900	24.2%
6015 - Benefits-Retirement	113,103	100,913	101,614	107,121	5.4%
6020 - Benefits- Payroll Taxes	123,866	116,964	113,888	120,511	5.8%
6023 - Benefits -HSA	1,731	-	3,173	4,673	47.3%
6025 - Benefits Other	735	684	821	2,000	143.6%
6040 - Merit/Incentives	7,350	-	-	15,033	100.0%
6050 - Compensation- Salary	1,688,909	1,484,417	1,509,053	1,591,056	5.4%
6055 - Professional Development	25,553	27,000	27,000	36,500	35.2%
<b>Total Payroll and Benefits</b>	<b>2,292,562</b>	<b>2,057,546</b>	<b>2,074,214</b>	<b>2,185,448</b>	<b>5.4%</b>
<b>Operating and General</b>					
5400 - Extended Enterprise	50,000	42,000	42,000	25,000	-40.5%
6057 - Research & Marketing Tools	188,250	-	-	-	0.0%
6120 - Office Expense- Other	16,704	12,000	16,500	21,000	27.3%
6150 - Office Expense- Rent	22,527	24,800	24,800	25,000	0.8%
6200 - Professional Fees- Consulting Fees	151,777	207,000	200,000	200,000	0.0%
6236 - Print Material Production	110	1,000	600	1,000	66.7%
6245 - Dues, Subscriptions, and Memberships	9,982	8,700	11,700	9,000	-23.1%
6310 - Repairs & Maintenance- Automobiles	4,779	5,000	3,000	3,000	0.0%
6360 - Supplies & Equipment- Office Supplies	1,725	1,500	800	1,000	25.0%
6375 - Events and Conferences	25,295	130,000	140,000	140,000	0.0%
6377 - Business Meals	-	-	1,700	1,700	0.0%
6380 - Travel- Lodging	49,846	35,000	25,000	30,000	20.0%
6390 - Travel - Meals	36,816	28,000	20,000	25,000	25.0%

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Business and Community Development - 3000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
6410 - Travel - Other	469	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	118,517	75,000	65,000	65,000	0.0%
6530 - Other Expense	-	-	68,760	-	-100.0%
<b>Total Operating and General</b>	<b>676,797</b>	<b>571,000</b>	<b>620,860</b>	<b>547,700</b>	<b>-11.8%</b>
<b>Bad Debt</b>					
6798 - Bad Debt - Performance Based Loans	4,374,037	1,500,000	3,600,000	1,500,000	-58.3%
6799 - Bad Debt Expense - (A/R)	2,724,954	1,175,000	1,175,000	500,000	-57.4%
<b>Total Bad Debt</b>	<b>7,098,991</b>	<b>2,675,000</b>	<b>4,775,000</b>	<b>2,000,000</b>	<b>-58.1%</b>
<b>Total Expenditures</b>	<b>\$ 22,856,218</b>	<b>\$ 18,158,546</b>	<b>\$ 20,880,074</b>	<b>\$ 18,955,648</b>	<b>-9.2%</b>
Loans are not considered to be expenditures, but do constitute a use of funds.					
<b>Loans Proposed</b>					
11xx - Business Opportunity Loan Fund- Collectible Loans	9,445,283	3,500,000	3,500,000	-	-100.0%
11xx - Business Opportunity Loan Fund - Performance Based Loans	3,670,000	1,500,000	1,500,000	-	-100.0%
11xx - New Loan Fund - Collectible Loans	-	-	-	3,000,000	100.0%
11xx - Special Project Loan Fund	373,667	-	-	-	0.0%
<b>Total Loans</b>	<b>13,488,950</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>3,000,000</b>	<b>-40.0%</b>
Less: Loan principle repayments	(5,591,850)	(3,912,215)	(3,622,310)	(3,690,528)	1.9%
Less: Loan Loss Reserve (included above)	(7,098,991)	(2,675,000)	(4,775,000)	(2,000,000)	-58.1%
<b>Net additional funding for loans</b>	<b>798,109</b>	<b>(1,587,215)</b>	<b>(3,397,310)</b>	<b>(2,690,528)</b>	<b>-20.8%</b>
<b>Total Appropriation</b>	<b>\$ 23,654,327</b>	<b>\$ 16,571,331</b>	<b>\$ 17,482,764</b>	<b>\$ 16,265,120</b>	<b>-7.0%</b>





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# BUSINESS AND INVESTMENT ATTRACTION



# BUSINESS AND INVESTMENT ATTRACTION

## GOALS

The Business and Investment Attraction (B & IA) Division has five goals:

- Increase awareness of Wisconsin as a destination for businesses to expand or relocate by promoting the state in domestic and international markets through a strategic approach that leverages Wisconsin's driver industries and competitive advantages.
- Increase the number of deals in which Wisconsin is able to compete by continuing to build relationships with commercial real estate and site selection decision-makers and high-level executives within key industry clusters.
- Provide business and investment attraction support to our statewide network of economic development partners by providing cooperative responses to prospects, as well as collaborate on events, outreach and/or sponsorship opportunities.
- Ensure effective research and analysis tools are available and utilized to assess market conditions / comparisons, industry or supply chain opportunities and/or economic impact.

## KEY PERFORMANCE INDICATORS

In FY18, the B & I A division intends to accomplish the following:

KPI*	TRACKING
Facilitate 12 Requests for Information (RFI)	Determined by reports generated through WEDC's CRM
Assist in 12 successful attraction projects	Determined by reports generated through awards administration system
Host 4 call trips to targeted metropolitan areas or countries (domestic or abroad)	Determined by activities organized by the B & I A division
Host 4 events for commercial real estate (CRE) or targeted industry executives (domestic or abroad)	Determined by activities organized by the B & I A division with support of the Marketing and Brand Strategy Division
Assist in 2 partner-led attraction events	Determined by activities organized by EDOs
Assist in 3 new Certified InWisconsin sites	Determined by number of sites successfully completing the certification process

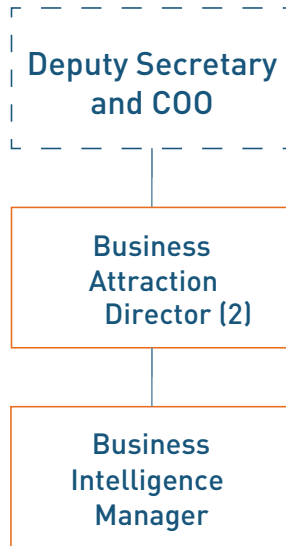
*\*Financial and technical assistance goals are reflected in BCD Key Performance Indicators, as projects typically get reassigned to regional economic development directors once a location/site has been determined.*

## OPERATING PLAN

In FY18, B & I A will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

CERTIFIED IN WISCONSIN SITES PROGRAM	
Description	In partnership with a contracted site selector consultant and community partners, apply consistent standards for industrial site certification in Wisconsin. Certification means that the key approvals, documentations and assessments most commonly required for industrial uses will already be in place.
Strategic Pillar	Business Development – Business and Investment Attraction
Budget (Non-Staff Expenses)	N/A
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist in 3 new Certified In Wisconsin sites</li><li>• Promote existing 18 sites</li></ul>

## STAFFING



**Business and Investment Attraction Directors** – Reports to the COO. Responsible for the design and implementation of a strategic and methodical approach to business attraction efforts across WEDC, statewide economic development partners and the State of Wisconsin. One position focuses on commercial real estate; the other focuses on international business and targeted industries.

**Business Intelligence Manager** – Assists the B & IA team with lead development through research and analytics that identifies companies with specific domestic and international expansion plans. Plans and implements measures to promote the state of Wisconsin's key business strengths to potential investors.

## KEY STRATEGIC INITIATIVES

- Continue to build alignment throughout Wisconsin for business and investment attraction opportunities so that Wisconsin can continue to leverage its talented and capable network of partners as a competitive advantage.
- Building upon recent foreign direct investment successes, continue to showcase and promote Wisconsin as a destination for companies, particularly those within our driver industries, to invest as they expand their global footprint.

## BUDGET NOTES

**Significant changes between the FY17 and FY18 budgets include:**

- Operating and General expenses are increasing as WEDC adds a new research analytic tool to help assess risk associated with potential customers, and as WEDC increases the number of business attraction events.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Business & Investment Attraction -3500

<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	-	49,470	22,193	22,920	3.3%
6010 - Benefits- Life Insurance	-	-	19	24	26.3%
6015 - Benefits-Retirement	-	22,194	16,130	16,453	2.0%
6020 - Benefits- Payroll Taxes	-	25,411	18,237	18,510	1.5%
6023 - Benefits -HSA	-	-	1,586	1,558	-1.8%
6040 - Merit/Incentives	-	-	-	2,420	100.0%
6050 - Compensation- Salary	-	331,785	241,019	244,375	1.4%
6055 - Professional Development	-	12,000	10,000	9,000	-10.0%
<b>Total Payroll and Benefits</b>	<b>-</b>	<b>440,860</b>	<b>309,184</b>	<b>315,260</b>	<b>2.0%</b>
<b>Operating and General</b>					
6057 - Research & Marketing Tools	-	-	333,898	366,798	9.9%
6120 - Office Expense- Other	-	2,000	2,500	2,000	-20.0%
6200 - Professional Fees- Consulting Fees	-	100,500	83,500	75,500	-9.6%
6245 - Dues, Subscriptions, and Memberships	-	325,423	10,125	10,125	0.0%
6375 - Events and Conferences	-	30,500	29,000	48,820	68.3%
6376 - Sponsorships	-	-	-	-	0.0%
6377 - Business Meals	-	-	-	2,000	100.0%
6380 - Travel- Lodging	-	29,650	29,650	30,300	2.2%
6390 - Travel - Meals	-	6,600	10,000	8,950	-10.5%
6410 - Travel - Other	-	-	-	500	100.0%
6430 - Travel - Transportation	-	29,050	29,050	28,050	-3.4%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>-</b>	<b>523,723</b>	<b>527,723</b>	<b>573,043</b>	<b>8.6%</b>
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 964,583</b>	<b>\$ 836,907</b>	<b>\$ 888,303</b>	<b>6.1%</b>





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# ENTREPRENEURSHIP AND INNOVATION



# ENTREPRENEURSHIP AND INNOVATION

## GOALS

### The Entrepreneurship and Innovation (E & I) Division has four goals:

- Support the development of new and emerging entrepreneurial and high-growth businesses throughout the state.
- Increase the amount of seed, early-stage and expansion capital in Wisconsin.
- Support the research and development of novel technologies that have the potential to increase a company's ability to compete and grow, and help drive Wisconsin's economy.
- Improve the viability and success of startups and emerging growth companies through substantive technical assistance.

## KEY PERFORMANCE INDICATORS

In FY18, the E & I division intends to accomplish the following:

KPI	TRACKING
Assist 1,618 businesses	Determined by reports generated through awards administration system and partner reporting
Achieve a direct 4:1 leverage on program investment	Determined by reports generated through awards administration system
Achieve a total leverage of 8:1 from additional investment	Determined by reports generated through awards administration system and partner reporting
Assist in the creation of 403 jobs	Determined by reports generated through awards administration system and partner reporting
Assist in the retention of 360 jobs	Determined by reports generated through key strategic partnerships
Assist 24 partner organizations	Determined by the number of commitments for programmatic and key strategic partnerships

## OPERATING PLAN

In FY18, E & I will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines..

CAPITAL CATALYST	
Description	Provide matching funds to communities/regional entities, thematic organizations or university affiliations to create seed funding for local, regional and international entrepreneurs and for R & D to commercialization activities.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 4 seed funds</li><li>• Support 45 startups/early-stage companies</li><li>• Support the creation of 60 jobs</li><li>• Maintain an average co-investment ratio of 1:1 and a further leverage ratio from company financing of 3:1</li></ul>

**ENTREPRENEURIAL MICRO-GRANT**

Description	Provide micro-grants to UW-Extension clients for services including SBIR/STTR assistance, business and commercialization planning and entrepreneurial training. Micro-grants are administered by the Center for Technology Commercialization.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$200,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 125 businesses</li> </ul>

**CAPACITY BUILDING - ENTREPRENEURSHIP SUPPORT GRANT**

Description	Competitive grant to support organizations that provide key and/or unique services to entrepreneurs or emerging companies that enhance the ability to succeed or grow in Wisconsin.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 10 organizations and 250 businesses</li> </ul>

**QUALIFIED NEW BUSINESS VENTURE (QNBV)**

Description	Certify companies for early-stage investment tax credits for angel and/or venture fund investors.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$30,000,000 CY 17 tax credit allocation
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Certify 35 companies and 5 funds</li> <li>Achieve 4:1 leverage ratio</li> </ul>

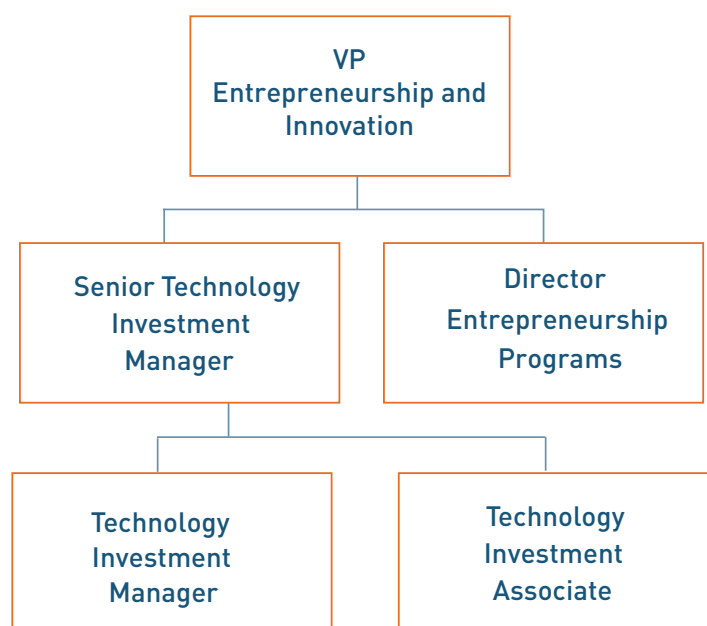
**SBIR/STTR MATCHING GRANT**

Description	Provide funds to technology-based businesses in or relocating to Wisconsin by matching a portion of Phase I and/or Phase II awards under the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. The program is administered by the Center for Technology Commercialization and largely supports business development objectives not funded by the federal grants.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 13 businesses</li> <li>Leverage federal grants 3:1</li> <li>Support the creation of 13 jobs</li> </ul>

SEED ACCELERATOR	
Description	Provide matching funds to communities/regional entities, thematic organizations or university affiliations to launch seed accelerators based on lean startup or other innovative business modeling concepts for local, regional and international entrepreneurs. Funding is based on at least one class per accelerator.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 6 seed accelerators</li> <li>• Support 30 business startups/early stage companies</li> <li>• Maintain an average co-investment ratio of 1:1</li> <li>• Support the creation of 45 jobs</li> </ul>

TECHNOLOGY DEVELOPMENT LOANS	
Description	Provide loan funding to innovative companies with promising economic futures to clear the hurdles associated with bringing new technologies, products and concepts to market. Funding will be through the federally funded State Small Business Credit Initiative (SSBCI) or state funds.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$5,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 15 businesses</li> <li>• Achieve leverage ratio of 4:1</li> </ul>

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division and will assure execution of the divisional operating plan.

**Director of Entrepreneurship Programs** – Manages partner-delivered programs and initiatives that support E & I mission and goals.

**Senior Technology Investment Manager** – Manages WEDC-delivered direct support programs (QNBV, TDL) and existing business portfolio.

**Technology Investment Manager** – Develops new opportunities for WEDC-delivered direct support programs (QNBV, TDL) and maintains existing business portfolio.

**Technology Investment Associate** – Supports implementation of WEDC-delivered direct support programs (QNBV, TDL) and contributes to maintenance of existing business portfolio.

## KEY STRATEGIC PARTNERSHIPS

In FY18, E & I will work with the following organizations to deliver WEDC's mission..

WISCONSIN WOMEN'S BUSINESS INITIATIVE CORPORATION (WWBIC)	
Description	WWBIC is a statewide economic development corporation that provides quality business education and financing to Wisconsin's entrepreneurs and small business owners. WWBIC provides services to help entrepreneurs launch and expand small businesses.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$350,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 1,000 businesses</li> <li>• Support the creation of 250 jobs</li> <li>• Support the retention of 350 jobs</li> <li>• Finance 25 startups</li> <li>• Provide at least \$2,500,000 in financing</li> </ul>

CENTER FOR TECHNOLOGY COMMERCIALIZATION (CTC)	
Description	CTC provides statewide access to high-quality business development services and will implement and manage the Ideadvance Seed fund; administer training and grants for state-wide approved applicants; implement statewide SBIR assistance program; administer the SBIR/STTR Matching Grant program.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$540,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Assist 200 businesses</li> <li>• Support the creation of 25 jobs</li> <li>• Support the retention of 10 jobs</li> </ul>

BRIGHTSTAR	
Description	BrightStar is a nonprofit statewide investment fund designed to attract private donations that will be invested into Wisconsin's high-growth-potential, early-stage companies, providing them capital to grow their business and create jobs.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$50,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• Provide at least \$750,000 in financing</li> <li>• Support the creation of 10 jobs</li> <li>• Finance 10 startup/emerging growth companies</li> </ul>

<b>WISCONSIN TECHNOLOGY COUNCIL (WTC)</b> <i>Including Wisconsin Angel Network (WAN)</i>	
Description	<p>WTC will provide local support for increasing seed, early-stage and expansion-stage financing, and will collaborate with WEDC's International Business Development Division.</p> <p>The mission of WTC's "Investor Networks" is to build angel network and venture capital capacity throughout Wisconsin in order to increase the number and amount of seed-stage equity investments in Wisconsin companies.</p>
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$310,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>• 120 companies receiving assistance through events and programs</li> <li>• Manage and facilitate connections between 50 entrepreneurs and investors</li> <li>• Conduct five angel investing seminars</li> </ul>

## KEY STRATEGIC INITIATIVES

- Develop framework for engagement between established and early-stage corporations.
- Engage partner organizations in providing peer-peer program awareness and entrepreneurship support networks.
- Engage local partners outside of major metro areas in supporting startups and entrepreneurs.
- Strengthen partnerships with educational institutions in supporting technology transfer and company formation.

## BUDGET NOTES

### Significant changes between the FY17 and FY18 budgets include:

- Revenue is decreasing as the result of the completion of the State Small Business Credit Initiative (SSBCI) which assisted in the funding of the Technology Development Loan Program.
- Bad Debt expense is decreasing, based on the net new origination activity expected on the TDL portfolio for FY18.
- WEDC will fund TDL awards using both state funds and loan repayments from previous SSBCI awards.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Entrepreneurship & Innovation - 2000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ 289,837	\$ 1,500,000	\$ 1,500,000	\$ -	-100.0%
4145 - State Loan Repayments	801,107	500,000	727,837	695,000	-4.5%
4146 - Contra-Revenue	(4,658)	-	-	-	0.0%
4147 - Interest - Forgivable Loans	4,658	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(332,482)	-	-	-	0.0%
4170 - Revenue-Other Income	-	10,000	-	-	0.0%
4180 - Loan Origination Fees	75,960	90,000	90,000	100,000	11.1%
4181 - Tax Transfer Fees	93,633	35,000	70,000	60,000	-14.3%
4182 - Award Penalty Fees	9,607	10,000	5,000	5,000	0.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>938,901</b>	<b>2,145,000</b>	<b>2,392,837</b>	<b>860,000</b>	<b>-64.1%</b>
<b>Expenditures</b>					
<b>Program Grants</b>					
6600.1 - Capacity Building Grants - E&I	-	500,000	500,000	500,000	0.0%
6630 - Seed Accelerator Program	859,307	1,000,000	1,000,000	1,000,000	0.0%
6646 - Entrepreneurial Micro-grant Program	58,500	200,000	270,000	200,000	-25.9%
6650 - Capital Catalyst Program	81,566	1,500,000	1,500,000	1,500,000	0.0%
6731 - SSBI/STTR Matching Grant	1,675,000	1,000,000	1,125,000	1,000,000	-11.1%
6756 - Business Incubator	250,000	-	-	-	0.0%
<b>Total Program Grants</b>	<b>2,924,373</b>	<b>4,200,000</b>	<b>4,395,000</b>	<b>4,200,000</b>	<b>-4.4%</b>
<b>Key Strategic Partnerships</b>					
5120 - WWBIC	350,000	350,000	350,000	350,000	0.0%
5130 - WEN (CTC)	565,000	540,000	565,000	540,000	-4.4%
5140 - Wisconsin Technology Council	310,000	310,000	310,000	310,000	0.0%
5141 - BrightStar Wisconsin Foundation	50,000	50,000	50,000	50,000	0.0%
<b>Total Key Strategic Partnerships</b>	<b>1,275,000</b>	<b>1,250,000</b>	<b>1,275,000</b>	<b>1,250,000</b>	<b>-2.0%</b>
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	44,654	56,811	56,707	58,335	2.9%
6010 - Benefits- Life Insurance	68	66	62	107	72.6%
6015 - Benefits-Retirement	23,288	26,590	26,805	27,219	1.5%
6020 - Benefits- Payroll Taxes	25,745	30,821	30,143	30,621	1.6%
6025 - Benefits Other	245	228	273	-	-100.0%
6040 - Merit/Incentives	3,000	-	-	4,003	100.0%
6050 - Compensation- Salary	345,060	391,150	399,623	404,277	1.2%
6055 - Professional Development	9,454	4,500	3,500	4,500	28.6%
<b>Total Payroll and Benefits</b>	<b>451,514</b>	<b>510,166</b>	<b>517,113</b>	<b>529,062</b>	<b>2.3%</b>



Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Entrepreneurship & Innovation - 2000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Operating and General</b>					
6120 - Office Expense- Other	1,236	1,700	1,950	1,700	-12.8%
6245 - Dues, Subscriptions, and Memberships	5,225	6,000	6,000	6,000	0.0%
6375 - Events and Conferences	217	3,200	3,200	3,200	0.0%
6377 - Business Meals	-	-	-	300	100.0%
6380 - Travel- Lodging	8,873	8,000	8,000	8,000	0.0%
6390 - Travel - Meals	3,105	4,500	4,500	4,200	-6.7%
6410 - Travel - Other	-	300	300	300	0.0%
6430 - Travel - Transportation	12,568	13,000	13,000	13,000	0.0%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>48,224</b>	<b>36,700</b>	<b>36,950</b>	<b>36,700</b>	<b>-0.7%</b>
<b>Bad Debt</b>					
6799 - Bad Debt Expense - (A/R)	1,912,845	1,400,000	1,400,000	500,000	-64.3%
<b>Total Bad Debt</b>	<b>1,912,845</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>500,000</b>	<b>-64.3%</b>
<b>Total Expenditures</b>	<b>\$ 6,611,956</b>	<b>\$ 7,396,866</b>	<b>\$ 7,624,063</b>	<b>\$ 6,515,762</b>	<b>-14.5%</b>
Loans are not considered to be expenditures, but do constitute a use of funds.					
<b>Loans Proposed</b>					
11xx - Technology Development Loans--State	4,563,780	3,000,000	3,000,000	3,000,000	0.0%
11xx - New Technology Development Loans--SSBCI	700,000	1,500,000	1,500,000	2,000,000	33.3%
<b>Total Loans</b>	<b>5,263,780</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>5,000,000</b>	<b>11.1%</b>
Less: Loan principle repayments	(3,789,576)	(2,191,661)	(3,787,624)	(2,210,513)	-41.6%
Less: Loan Loss Reserve (included above)	(1,912,845)	(1,400,000)	(1,400,000)	(500,000)	-64.3%
<b>Net additional funding for loans</b>	<b>(438,641)</b>	<b>908,339</b>	<b>(687,624)</b>	<b>2,289,487</b>	<b>-433.0%</b>
<b>Total Appropriation</b>	<b>\$ 6,173,315</b>	<b>\$ 8,305,205</b>	<b>\$ 6,936,439</b>	<b>\$ 8,805,249</b>	<b>26.9%</b>





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# INTERNATIONAL BUSINESS DEVELOPMENT



# INTERNATIONAL BUSINESS DEVELOPMENT

## GOALS

### The International Business Development (IBD) Division has three goals:

- Build Wisconsin's export community by strengthening Wisconsin's export partnerships and by increasing Wisconsin companies' export skills.
- Increase the number of Wisconsin companies exporting as well as increasing the markets they engage with.
- Increase the number of FDI expansion and attraction projects, with a focus on Wisconsin's key industry clusters and key geographies, including Western Europe, Canada and China.

## KEY PERFORMANCE INDICATORS

In FY18, the IBD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 184 businesses	Determined by reports generated through awards administration system
Provide technical assistance to 440 businesses	Determined by reports generated by authorized trade representatives
Assist 4 partner organizations	Determined by the number of commitments for Collaborative Market Access grants and deploying ExporTech™
Conduct 8 FDI events abroad on 6 targeted international trips	Determined by activities organized through global trade ventures (GTV) and business development ventures

## OPERATING PLAN

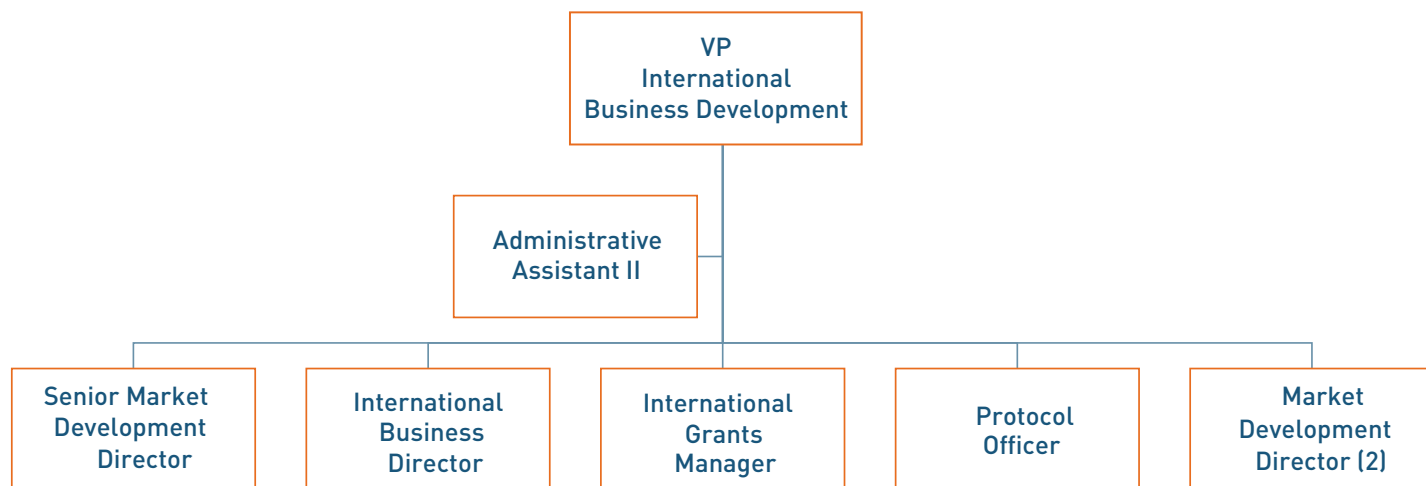
In FY18, IBD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

EXPORTECH™	
Description	Support Wisconsin companies with a program that facilitates writing an export strategy and identification of each company's top three target markets.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$214,000
Activities and Expected Outcomes	Assist one organization to support 36 businesses

GLOBAL BUSINESS DEVELOPMENT PROGRAM	
Description	Accelerate the export development and expansion of Wisconsin companies by providing financial support for export-related services on a tiered basis.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$1,200,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• IMAG: Assist 60 businesses</li><li>• CMAG: Award 3 organizations to assist 58 businesses</li></ul>

GLOBAL TRADE VENTURES	
Description	Take Wisconsin companies to foreign target markets to accelerate exports to those countries.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$653,882 (non-aids)
Activities and Expected Outcomes	Support 6 global trade ventures in WEDC's target markets in 8 countries and assist 40 businesses

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division and will assure execution of the divisional operating plan.

**International Business Director** – Manages international foreign direct investment initiatives. Assists team with goals relating to the Global Network.

**Senior Market Development Director** – Coordinates and manages the Global Network. Assists companies with technical assistance to create and implement export strategies.

**Market Development Director** – Assists companies with technical assistance to create and implement export strategies, thus meeting IBD's mission.

**International Grants Manager** – Responsible for the vision and management of all IBD grants, which assist companies in creating and implementing export strategies.

**Protocol Officer** – Responsible for the communication and initiatives between IBD and the Governor's office and/or WEDC's executive office with regard to participation in international export activities.

**Administrative Assistant II** – Organizes schedules and activities of the VP and team members. Assists team in various administrative duties.

## KEY STRATEGIC PARTNERSHIPS

In FY18, IBD will work with the following organizations to deliver WEDC's mission.

GLOBAL NETWORK OF AUTHORIZED TRADE REPRESENTATIVES (ATR)	
Description	IBD works with Wisconsin's contracted ATRs to support the export needs of Wisconsin companies.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$230,000
Activities and Expected Outcomes	Assist 440 businesses by: <ul style="list-style-type: none"><li>• Providing market assessments and partner searches for Wisconsin companies in their country of representation</li><li>• Visiting Wisconsin to meet with Wisconsin companies to better understand their export needs and to support enrollment in business development ventures</li><li>• Resolving immediate export problems of Wisconsin companies</li></ul>

## KEY STRATEGIC INITIATIVES

- Expand the Wisconsin extended export partners to include specific individuals in multiple regions who provide direct export assistance to companies locally. It has been identified that the local knowledge and relationship is key to move non-exporters to exporting.
- Complete a research project that projects over the next 3-5 years the countries that show the greatest need for Wisconsin's driver industry cluster products and services: fresh water technology, energy, power and controls, food and beverages, bioscience and aviation/aerospace. Also, identify the countries with the greatest concentration of the same key industry clusters as Wisconsin for targeted FDI attraction projects.
- Build long-term key relationships in other countries with government agencies, industry organizations and business groups that match Wisconsin's driver industry clusters to strengthen and globalize the clusters in Wisconsin.

## BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Program grants have increased to meet demand for our International Market Access Grant Program.
- Key Strategic Partnerships is seeing a decrease as certain expenses previously reimbursed to our Global Partner Network KSP are now covered directly by WEDC.
- Operating and General expenses are increasing as FY18 includes two additional trade missions compared to FY17.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

International Business Development - 7000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4013 - Federal - STEP Grant	41,952	382,600	492,376	350,000	-28.9%
4170 - Revenue-Other Income	84,270	80,750	80,750	107,900	33.6%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>126,222</b>	<b>463,350</b>	<b>573,126</b>	<b>457,900</b>	<b>-20.1%</b>
<b>Expenditures</b>					
<b>Program Grants</b>					
6655 - Exportech Grants	84,900	210,000	210,000	214,000	1.9%
6665.1 - International Market Access Grant	659,670	750,000	450,000	750,000	66.7%
6665.2 - Collaborative Market Access Grant	202,497	450,000	450,000	450,000	0.0%
6665.4 - International Market Access Grant - STEP	-	232,600	232,600	300,000	29.0%
<b>Total Program Grants</b>	<b>947,067</b>	<b>1,642,600</b>	<b>1,342,600</b>	<b>1,714,000</b>	<b>27.7%</b>
<b>Key Strategic Partnerships</b>					
5105 - Global Partner Network	242,360	310,000	310,000	230,000	-25.8%
5185 - Wisconsin Procurement Institute	-	-	-	-	0.0%
<b>Total Key Strategic Partnerships</b>	<b>242,360</b>	<b>310,000</b>	<b>310,000</b>	<b>230,000</b>	<b>-25.8%</b>
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	98,328	107,684	106,188	107,942	1.7%
6010 - Benefits- Life Insurance	336	323	306	388	26.8%
6015 - Benefits-Retirement	37,489	38,869	37,742	38,123	1.0%
6020 - Benefits- Payroll Taxes	41,778	45,049	44,241	44,639	0.9%
6040 - Merit/Incentives	-	-	-	5,606	100.0%
6050 - Compensation- Salary	568,260	572,078	580,756	589,354	1.5%
6055 - Professional Development	3,711	15,000	15,000	15,000	0.0%
<b>Total Payroll and Benefits</b>	<b>749,902</b>	<b>779,003</b>	<b>784,233</b>	<b>801,052</b>	<b>2.1%</b>
<b>Operating and General</b>					
6120 - Office Expense- Other	20,835	10,000	11,245	9,440	-16.1%
6200 - Professional Fees- Consulting Fees	257,195	248,585	248,585	349,750	40.7%
6236 - Print Material Production	1,374	4,910	4,910	3,705	-24.5%
6245 - Dues, Subscriptions, and Memberships	62,122	9,000	9,000	5,000	-44.4%
6320 - Supplies & Equipment- Computer Supplies	3,559	-	-	-	0.0%
6360 - Supplies & Equipment- Office Supplies	1,641	1,000	1,000	500	-50.0%
6375 - Events and Conferences	93,940	108,415	108,415	122,065	12.6%
6377 - Business Meals	-	-	1,500	2,500	66.7%
6380 - Travel- Lodging	124,293	157,331	157,331	163,183	3.7%
6390 - Travel - Meals	20,500	45,976	44,476	57,758	29.9%
6410 - Travel - Other	1,493	7,800	7,800	6,975	-10.6%
6430 - Travel - Transportation	140,448	161,895	161,895	206,155	27.3%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>732,359</b>	<b>754,912</b>	<b>756,157</b>	<b>927,031</b>	<b>22.6%</b>
<b>Total Expenditures</b>	<b>\$ 2,671,688</b>	<b>\$ 3,486,515</b>	<b>\$ 3,192,990</b>	<b>\$ 3,672,083</b>	<b>15.0%</b>







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# SECTOR STRATEGY DEVELOPMENT



# SECTOR STRATEGY DEVELOPMENT

## GOALS

The Sector Strategy Development (SSD) Division has three goals:

- Extend the geographic reach and implementation of Targeted Industry Projects (TIP) investments to achieve increased growth and competitiveness for identified priority industry sectors.
- Support priority special projects to achieve unique and substantial economic benefit to defined needs in Wisconsin. Demonstrate the capacity to engage with priority needs quickly and effectively, with the resources required to positively impact economic development at the local, regional and state level.
- Advance key industry initiatives and collaborate investments to substantially enhance the market power and positioning of priority industry sectors in the state.

## KEY PERFORMANCE INDICATORS

In FY18, the SSD division intends to accomplish the following:

KPI	TRACKING
Assist 740 businesses	Determined by reports generated through awards administration system and partner reporting
Achieve a 3:1 leverage ratio	Determined by reports generated through awards administration system and partner reporting
Assist 8 partner organizations	Determined by the number of TIP investments and investment in KSP
Assist 20 communities	Determined by reports generated through awards administration system
Assist in the creation of 400 jobs and the retention of 1,000 jobs through KSP investments	Determined by the number of jobs to be created/retained, tracked through quarterly reporting

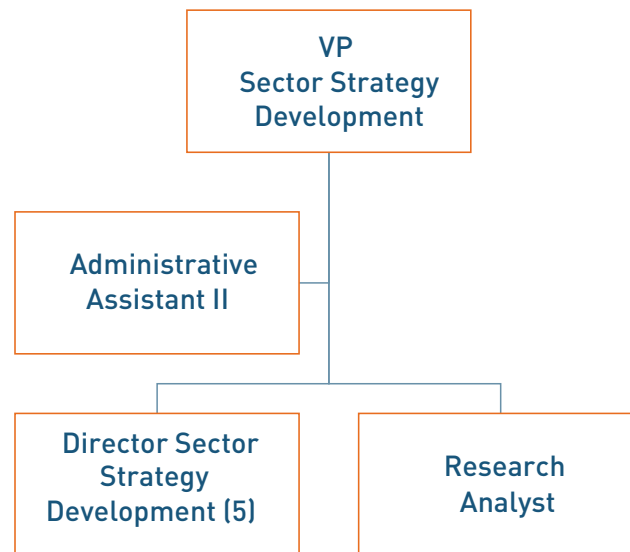
## OPERATING PLAN

In FY18, SSD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

TARGETED INDUSTRY PROJECTS	
Description	Provide grants to support costs of formal strategy development, consortium development, centers of excellence, partner development and co-investment (non-WEDC) to advance priority industries, sectors and clusters.
Strategic Pillar	Strategic Economic Competitiveness – Future Industry Strategies
Budget (Non-Staff Expenses)	\$3,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist seven unique organizations</li><li>• Achieve a 3:1 leverage ratio</li><li>• Create, attract or expand 40 companies</li></ul>

FABRICATION LABORATORIES (FAB LABS) GRANT PROGRAM	
Description	Support hands-on Science, Technology, Engineering, Arts and Math (STEAM) education by assisting Wisconsin public school districts with equipment purchases used for instructional and educational purposes in fabrication laboratories in Wisconsin Schools.
Strategic Pillar	Strategic Economic Competitiveness-State/Regional Talent and Workforce Initiatives
Budget (Non-Staff Expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> <li>Assist 20 school districts and consortiums</li> </ul>

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division, and will assure execution of the divisional operating plan.

**Director of Sector Strategy Development** – Executes sector strategy and sector portfolio management; investment placement, monitoring and evaluation; impact assessment and reporting; and all associated account management, opportunity management and project management in the assigned industry sector, as well as assigned special initiatives.

**Research Analyst** – Conducts quantitative/qualitative research, analysis and reporting to support sector portfolio management and priority investment strategy, as well as to inform senior WEDC leadership of important economic/workforce trends. Serves as primary liaison to analysts at other governmental agencies (state, federal and local).

**Administrative Assistant II** – Supports division Vice President and staff in key operations administration functions.

## KEY STRATEGIC PARTNERSHIPS

In FY18, SSD will work with the following organizations to deliver WEDC's mission.

WISCONSIN CENTER FOR MANUFACTURING AND PRODUCTIVITY (WCMP)	
Description	WCMP, delivering direct services through the Wisconsin Manufacturing Extension Partnership and the UW-Stout Manufacturing Outreach Center, provides specialized, high-impact advisory and implementation services in continuous improvement to Wisconsin small and mid-size manufacturers (SMMs) at below-market rates.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$1,250,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Assist 700 small and mid-size manufacturers (SME) businesses</li><li>• Assist in the creation of 400 jobs and retention of 1000 jobs</li><li>• Actively support Global Cities Initiative, PSI/ME3, DoD Supplier Assistance Initiative, Transformational Productivity Initiative, and Aviation and Aerospace Supplier Development Initiative</li></ul>

## KEY STRATEGIC INITIATIVES

- Complete and begin delivery of diagnostic and assessment toolkit to 15 small and midsize manufacturers through Transformational Productivity Initiative
- Launch Center of Excellence for Biomanufacturing and Regenerative Medicine
- Launch Center of Excellence for Integrated Aerospace Systems
- Launch Center of Excellence for Connected Systems

## BUDGET NOTES

### Significant changes between the FY17 and FY18 budgets include

- Program grants have decreased as the Targeted Industry Projects (TIP) program is receiving a reduced allocation for FY18, but is still being funded at a level to meet WEDC's goals for implementing and funding of new centers of excellence.
- Federal grant income and pass-through expense have increased as we move into the second year of WEDC's grant with the Department of Defense.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Sector Strategy Development - 4000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4014 - Federal - DOD Grant	-	435,000	435,000	640,590	47.3%
4170 - Revenue-Other Income	17,425	-	135	-	-100.0%
4185 - Sponsorship Contributions	40,500	-	-	-	0.0%
<b>Total Revenues</b>	<b>57,925</b>	<b>435,000</b>	<b>435,135</b>	<b>640,590</b>	<b>47.2%</b>
<b>Expenditures</b>					
<b>Program Grants</b>					
6640 - Targeted Industry Investment Grants	1,577,439	4,000,000	3,550,000	3,000,000	-15.5%
6670 - Minority Revolving Loan Fund Expansion	425,000	-	-	-	0.0%
6754 - FabLab TA - LEG	-	-	-	100,000	100.0%
6755 - Fabrication Laboratories	23,438	500,000	500,000	500,000	0.0%
<b>Total Program Grants</b>	<b>2,025,877</b>	<b>4,500,000</b>	<b>4,050,000</b>	<b>3,600,000</b>	<b>-11.1%</b>
<b>Key Strategic Partnerships</b>					
5170 - WMEP	1,000,000	-	-	-	0.0%
5175 - WCMP	-	1,250,000	1,250,000	1,250,000	0.0%
5180 - NWMOC	250,000	-	-	-	0.0%
5185 - Wisconsin Procurement Institute	305,000	-	-	-	0.0%
<b>Total Key Strategic Partnerships</b>	<b>1,555,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>0.0%</b>
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	105,018	97,249	100,460	98,904	-1.5%
6010 - Benefits- Life Insurance	532	476	510	675	32.4%
6015 - Benefits-Retirement	39,837	38,929	37,879	38,942	2.8%
6020 - Benefits- Payroll Taxes	44,171	45,124	43,071	43,809	1.7%
6040 - Merit/Incentives	7,025	-	-	5,727	100.0%
6050 - Compensation- Salary	590,106	572,671	568,950	578,398	1.7%
6055 - Professional Development	8,135	14,300	11,000	15,000	36.4%
<b>Total Payroll and Benefits</b>	<b>794,824</b>	<b>768,749</b>	<b>761,870</b>	<b>781,455</b>	<b>2.6%</b>
<b>Operating and General</b>					
6120 - Office Expense- Other	5,757	5,000	5,000	3,500	-30.0%
6150 - Office Expense- Rent	472	3,200	3,200	3,200	0.0%
6200 - Professional Fees- Consulting Fees	12,663	35,000	12,000	35,000	191.7%
6225 - Pass-through federal grant expenditures	-	435,000	435,000	640,590	47.3%
6236 - Print Material Production	2,188	1,500	1,000	1,500	50.0%
6245 - Dues, Subscriptions, and Memberships	4,079	7,000	5,500	9,000	63.6%
6360 - Supplies & Equipment- Office Supplies	161	1,500	1,500	1,500	0.0%
6375 - Events and Conferences	144,875	38,000	20,000	32,175	60.9%
6377 - Business Meals	-	-	1,200	2,500	108.3%
6380 - Travel- Lodging	17,669	12,000	12,000	12,000	0.0%

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Sector Strategy Development - 4000

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Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
6390 - Travel - Meals	7,666	5,000	6,000	5,000	-16.7%
6410 - Travel - Other	119	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	40,711	35,000	35,000	35,000	0.0%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>245,562</b>	<b>579,200</b>	<b>538,400</b>	<b>781,965</b>	<b>45.2%</b>
<b>Total Expenditures</b>	<b>\$ 4,621,263</b>	<b>\$ 7,097,949</b>	<b>\$ 6,600,270</b>	<b>\$ 6,413,420</b>	<b>-2.8%</b>





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# MARKETING AND BRAND STRATEGY



# MARKETING AND BRAND STRATEGY

## GOALS

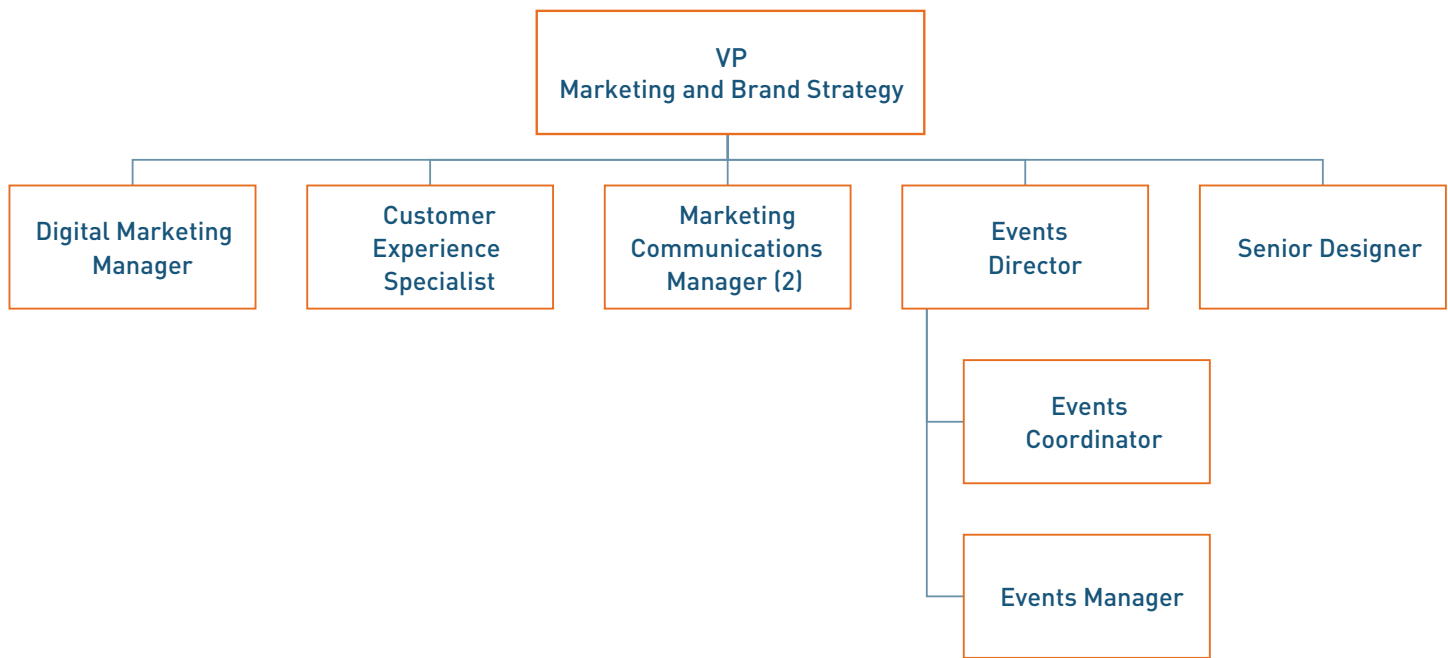
The Marketing and Brand Strategy Division has four goals:

- Develop, manage and deliver compelling brand messages highlighting Wisconsin's unique economic assets to target audiences.
- Drive action among entrepreneurs pursuing new startup opportunities and business leaders and influencers considering relocation to, or investment in, new or expanded Wisconsin operations.
- Connect Wisconsin companies with information and opportunities relating to international business development.
- Reinforce WEDC's long-term, positive impact on Wisconsin's economy.

## KEY PERFORMANCE INDICATORS

AUDIENCE SEGMENT	KPI
Talent	<ul style="list-style-type: none"> <li>• Paid Media Impressions: 250,000,000</li> <li>• Website Engagement Actions: 45,000</li> <li>• Job/Location Searches: 12,000</li> </ul>
Business	<ul style="list-style-type: none"> <li>• Paid Media Impressions: 11,675,000</li> <li>• Website Engagement Actions: 6,750</li> <li>• Unique Newsletter Subscriptions: 12,875                             <ul style="list-style-type: none"> <li>• INSource</li> <li>• INvest</li> <li>• INterconnect</li> <li>• INbound</li> <li>• INsite</li> </ul> </li> <li>• WEDC LinkedIn Followers: 4,400</li> <li>• WEDC LinkedIn Impressions: 2,200,000</li> <li>• Marketing-Generated Leads: 2,500</li> <li>• Marketing-Generated Partner Referrals: 250</li> </ul>
WEDC Stakeholders	<ul style="list-style-type: none"> <li>• Website Sessions: 60,000</li> <li>• Website Engagement Actions: 30,000</li> <li>• INsource Newsletter Subscriptions: 6,500</li> <li>• @WEDCNews Twitter Followers: 1,000</li> <li>• @WEDCNews Twitter Impressions: 800,000</li> </ul>
All Audiences	<ul style="list-style-type: none"> <li>• Website Sessions: 485,000</li> <li>• Earned Media Placements: 2,500</li> <li>• Earned Media Impressions: 1,000,000,000</li> <li>• Social Media Followers: 10,200</li> <li>• Social Media Impressions: 16,000,000</li> <li>• Event Audience: 27,770</li> <li>• Event Contacts: 1,140</li> </ul>

## STAFFING



**Vice President** – Reports to the COO. Responsible for the overall direction and management of the division, and will assure execution of the divisional operating plan.

**Events Director** – Oversees the events team, including an Events Manager and Events Coordinator; manages workflows, systems and budgets for the team and ensures the delivery of high-quality services to internal customers and event participants.

**Events Manager** – Plans and executes strategies relating to WEDC’s participation in trade shows and other face-to-face marketing opportunities.

**Events Coordinator** – The Events Coordinator is responsible for supporting the Events Director and Manager in planning organizing, coordinating, promoting and facilitating successful events and meetings with the aim of building awareness of and preference for WEDC programs and initiatives.

**Digital Marketing Manager** – Manages WEDC’s electronic communications channels, including but not limited to website, social media and electronic newsletters, ensuring that content is accurate, timely and relevant.

**Senior Designer** – Designs and produces WEDC marketing materials in accordance with WEDC brand standards, including but not limited to brochures, flyers, advertisements, reports and trade show exhibits. The Senior Designer also assists with the design of WEDC’s website and other electronic communications platforms.

**Marketing Communications Managers** – Develop and deliver core organizational messages relating to WEDC programs and outcomes. The Managers conduct research and tap internal and external sources in order to ensure the accuracy and suitability of information in WEDC printed publications, electronic postings and presentations.

**Customer Experience Specialist** – Assists WEDC to deliver consistent and brand-appropriate customer service by defining, executing and measuring standard processes relating to each point within the service continuum. The Customer Experience Specialist manages and measures WEDC’s lead-generation process and administers the Made In Wisconsin® Program.

**External Marketing Agency** – WEDC uses an external marketing agency to help develop and execute a marketing plan to promote Wisconsin as a premier destination for business, professional and personal fulfillment.

## OPERATING PLAN

The following marketing plan is organized by communications objective and reflects input from divisional leaders.

GOAL	STRATEGIES
1. Communicate Wisconsin's strong business climate attributes to company leaders and influencers seeking to maximize their potential.	<p><b>Strategy 1:</b> Leverage highly targeted paid media campaigns and owned media channels to connect decision-makers with the information necessary to support new business development initiatives: site selectors and commercial real estate consultants; Wisconsin entrepreneurs; and professional service providers.</p> <p><b>Strategy 2:</b> Ongoing relationship marketing programs that deliver compelling industry, workforce, quality-of-life and incentive information to key audience segments:</p> <ul style="list-style-type: none"> <li>• Wisconsin Entrepreneurs</li> <li>• Established Wisconsin Businesses</li> <li>• Startup/Early-Stage Investors</li> <li>• Business Attraction Prospects/Site Selectors</li> <li>• Foreign Direct Investment Prospects</li> </ul> <p><b>Strategy 3:</b> Inform key stakeholders, including WEDC board and state legislators, of research findings and taskforce recommendations regarding brand messaging enhancements.</p> <p><b>Strategy 4:</b> Develop and deliver go-to-market strategy for brand statement, including coordinated messaging strategy reflecting stakeholder participation.</p>
GOAL	STRATEGIES
2. Demonstrate Wisconsin's value as a career and lifestyle destination.	<p><b>Strategy 1:</b> Launch integrated marketing campaign supporting talent recruitment efforts targeting millennials in select (no more than two) surrounding markets and alumni nationally.</p> <p><b>Strategy 2:</b> Establish compelling owned/social media channels and deliver engaging content targeting both retention and recruitment talent audiences.</p> <p><b>Strategy 3:</b> Develop creative materials and robust content library, including videos, promoting key benefits of Wisconsin as a career and lifestyle destination for both talent retention and recruitment audiences.</p> <p><b>Strategy 4:</b> Deliver national and in-state earned media relations campaign designed to deliver motivating messages to talent recruitment and retention audiences promoting Wisconsin as an ideal career and lifestyle destination.</p>

GOAL	STRATEGIES
<p>3. Connect Wisconsin companies with information and opportunities relating to international business development.</p>	<p><b>Strategy 1:</b> Maintain regular contact with Wisconsin companies through relationship marketing program that provides actionable information relating to exporting opportunities.</p> <p><b>Strategy 2:</b> Deliver-in-state media relations program promoting exporting resources and programs.</p> <p><b>Strategy 3:</b> Promotion of Wisconsin Governor's Export Award winners.</p>
GOAL	STRATEGIES
<p>4. Reinforce WEDC's long-term, positive impact on Wisconsin's economy.</p>	<p><b>Strategy 1:</b> Prominently convey WEDC responsiveness across all marketing and communications tactics.</p> <p><b>Strategy 2:</b> Develop and deploy organizational messaging tools including reports, presentations, brochures and webpages that clearly articulate WEDC's priorities, underscore the soundness of WEDC's organizational structure, and powerfully convey the positive impact of WEDC's work.</p> <p><b>Strategy 3:</b> Deliver regular updates to key stakeholders concerning WEDC programs and initiatives and the results they achieve, specifically highlighting the economic benefits created for businesses, communities and partner organizations by WEDC investments.</p> <ul style="list-style-type: none"> <li>• INsource Newsletter</li> </ul> <p><b>Strategy 4:</b> Promote WEDC investment outcomes, outreach initiatives and business success stories through social and other owned media channels.</p> <p><b>Strategy 5:</b> Pursue aggressive in-state media relations strategy that draws positive attention to WEDC strategies, investments and measurable impact, localizing stories to the areas benefitting from new business and community development initiatives.</p> <p><b>Strategy 6:</b> Maximize the visibility of WEDC-supported projects through public announcements and groundbreaking events, inviting participation by local community and business leaders, partners and lawmakers.</p> <p><b>Strategy 7:</b> Demonstrate thought leadership by producing and publicizing studies that track economic development trends in Wisconsin.</p> <p><b>Strategy 8:</b> Seek professional speaking opportunities for WEDC leaders at industry and economic development events.</p> <p><b>Strategy 9:</b> Attend, support and participate in statewide business development and community development events, providing a leadership perspective on the state of Wisconsin's economic development practice.</p>

The following marketing functions and initiatives will support multiple goals and target audiences.

INITIATIVE
Website Development – Build and deploy website assets to create user experiences designed to fulfill target audience communications objectives—separate user pathways, calls-to-action and response protocols for Businesses; People; and WEDC stakeholders. Budget amount also includes deployment, maintenance and updating of web tools and ongoing site optimization.
Sponsorships – Support industry, partner, and economic-development events through investment and involvement in order to connect with audiences looking to startup, grow or relocate operations in Wisconsin.
Performance Metrics – Track, analyze and optimize performance metrics including: lead flow optimization, tracking reporting, analysis, distribution.
Account Management and Planning: Includes reporting, FY19 planning, strategic consulting and FY18 plan optimization.

#### BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Payroll and benefits are increasing due to the transfer of the Public Relations Manager position from the Executive Office division.
- Operating and General expenses are increasing to promote WEDC’s “Think-Make-Happen” campaign. The added expense to our advertising production and placement and video production for FY18 are being partially offset by savings in other expenses, including sponsorships.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Marketing & Brand Strategy - 5000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	1,600	-	13,000	10,000	-23.1%
4185 - Sponsorship Contributions	1,500	-	-	-	0.0%
<b>Total Revenues</b>	<b>3,100</b>	<b>-</b>	<b>13,000</b>	<b>10,000</b>	<b>-23.1%</b>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	81,796	77,433	83,718	107,195	28.0%
6010 - Benefits- Life Insurance	258	195	272	335	23.2%
6015 - Benefits-Retirement	33,492	34,693	35,102	40,538	15.5%
6020 - Benefits- Payroll Taxes	36,955	40,212	39,347	45,605	15.9%
6040 - Merit/Incentives	3,640	-	-	5,961	100.0%
6050 - Compensation- Salary	498,898	511,992	524,027	602,104	14.9%
6055 - Professional Development	2,334	15,581	15,581	13,188	-15.4%
<b>Total Payroll and Benefits</b>	<b>657,373</b>	<b>680,106</b>	<b>698,047</b>	<b>814,926</b>	<b>16.7%</b>
<b>Operating and General</b>					
6057 - Research & Marketing Tools	38,818	36,919	61,919	65,423	5.7%
6120 - Office Expense- Other	7,812	5,000	5,500	5,500	0.0%
6220 - Professional Fees- Other Services	30,022	85,000	85,000	10,000	-88.2%
6229 - Marketing Plan Development	229,025	280,000	280,000	255,000	-8.9%
6230 - Advertising Production	225,225	295,000	374,734	505,000	34.8%
6232 - Advertising Placement	805,967	820,000	773,779	1,320,000	70.6%
6236 - Print Material Production	15,449	135,000	155,000	20,000	-87.1%
6237 - Public Relations	374,873	385,000	365,000	235,000	-35.6%
6238 - Premiums	1,651	5,000	8,000	15,000	87.5%
6245 - Dues, Subscriptions, and Memberships	1,063	1,000	1,000	3,000	200.0%
6250 - Video Production	81,411	70,000	93,640	195,000	108.2%
6251 - Website	119,628	260,000	353,938	406,900	15.0%
6252 - Displays	2,052	5,000	10,000	10,000	0.0%
6253 - Electronic Media Production	226,453	205,000	200,000	90,000	-55.0%
6360 - Supplies & Equipment- Office Supplies	51	1,500	1,500	2,000	33.3%
6375 - Events and Conferences	415,086	427,200	319,709	347,500	8.7%
6376 - Sponsorships	559,059	437,600	487,600	377,305	-22.6%
6377 - Business Meals	-	-	300	400	33.3%
6380 - Travel- Lodging	20,009	13,000	15,500	10,000	-35.5%
6390 - Travel - Meals	3,323	3,500	3,700	4,000	8.1%
6410 - Travel - Other	166	-	148	500	237.8%
6430 - Travel - Transportation	15,244	8,000	8,400	8,000	-4.8%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>3,173,972</b>	<b>3,478,719</b>	<b>3,604,367</b>	<b>3,885,528</b>	<b>7.8%</b>

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Marketing & Brand Strategy - 5000

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<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
<b>Capital</b>					
7000 - Computer Software	130,019	-	-	-	0.0%
7040 - Vehicles	-	-	-	-	0.0%
<b>Total Capital</b>	<b>130,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenditures</b>	<b>\$ 3,961,364</b>	<b>\$ 4,158,825</b>	<b>\$ 4,302,414</b>	<b>\$ 4,700,454</b>	<b>9.3%</b>





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# PUBLIC POLICY



# PUBLIC POLICY

## GOALS

The Office of Public Policy has three goals:

- Develop and advocate for policies and programs to achieve WEDC’s mission and align with strategic pillars.
- Provide timely and relevant policy and market research, trend analyses and oversight to support WEDC program and policy design and implementation.
- Initiate and maintain strong relationships with key stakeholders and government officials to advance WEDC strategies and address constituent issues.

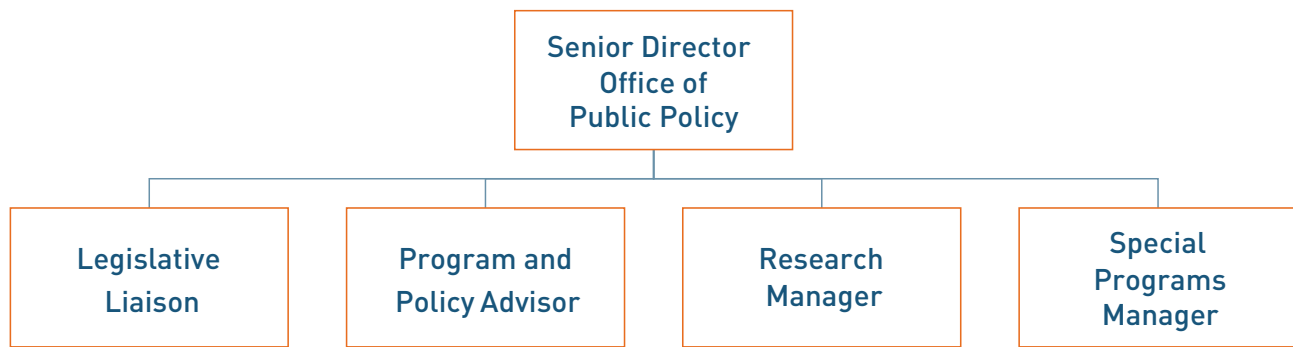
## ADMINISTRATIVE OVERSIGHT

As a key advisor to WEDC leadership, the Office of Public Policy develops and manages public policy and government relations programs; advises on intergovernmental affairs and policy initiatives; oversees development and implementation of annual operations planning; assists leadership with strategic planning; assists in coordinating external outreach and communications to Governor, Board, stakeholders and government officials. The Office of Public Policy also seeks and manages external grant opportunities and manages cross-organizational special projects.

In FY18, OPP will deliver the following program. Specific operating procedures can be found in the corresponding program guidelines.

STRATEGIC INITIATIVES FUND	
Description	Provide grants to organizations for initiatives that are carrying out activities to further the mission of WEDC to advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. The program is intended for opportunities that strongly support WEDC’s strategic efforts yet are more aptly carried out by a partner organization. The program is not available for projects that are otherwise eligible to be funded through other programs offered by WEDC or its partners, and must be approved by the WEDC Awards Administration Committee.
Strategic Pillar	Strategic Economic Competitiveness – Future Industry Strategies
Budget (Non-Staff Expenses)	\$250,000
Activities and Expected Outcomes	<ul style="list-style-type: none"><li>• Support 3 organizations/projects</li></ul>

## STAFFING



**Senior Director** – Reports to the CEO. Develops, manages and directs public policy program development and government relations strategies programs.

**Legislative Liaison** – Provides government relations services to policymakers, state agencies and stakeholders; prepares external communications to Governor, and Board, and Legislature.

**Program and Policy Advisor** – Tracks legislation, provides legislative fiscal analysis and program guidance and oversees development of program guidelines. Conducts research and develops policy on economic development, industry, and business trends, analyzes trends and key issues.

**Research Manager** – Conducts research on economic development, industry, and business trends; analyzes key issues, trends, and reports; as well as provides support and training to users with various resources.

**Special Programs Manager** – Oversees the tracking, procurement, and management of federal and other external grant opportunities. Serves as the point person for external users and stakeholders to the Salesforce In Force Network and Skills Wisconsin program.

## KEY STRATEGIC INITIATIVES

- Expand application of return on investment (ROI) standards for business and community development programs.
- Facilitate the CREC State Data Sharing Initiative with Department of Revenue and Department of Workforce Development.
- Grow federal grant opportunity ombudsman role.

## BUDGET NOTES

**Significant changes between the FY17 and FY18 budgets include:**

- Revenue sources include a reimbursement for staff time spent on federal grant programs.
- The Strategic Initiatives Fund is a new grant program designed to help provide unique funding opportunities that support WEDC's strategic initiatives.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

**Wisconsin Economic Development Corporation  
Detailed Budget Worksheet**

**Office of Public Policy - 8000**

<b>Account No. and Name</b>	<b>FY16 Actual</b>	<b>FY17 Budget</b>	<b>FY17 Amended Budget</b>	<b>FY18 Budget</b>	<b>New Funds % Chg</b>
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4013 - Federal - STEP Grant	-	-	-	1,700	100.0%
4014 - Federal - DOD Grant	-	-	1,895	34,410	1715.8%
4170 - Revenue-Other Income	-	-	1,330	-	-100.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>3,225</b>	<b>36,110</b>	<b>1019.7%</b>
<b>Expenditures</b>					
<b>Program Grants</b>					
6795 - Strategic Initiatives Fund	-	-	-	250,000	100.0%
<b>Total Program Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>100.0%</b>
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	50,151	64,537	64,081	65,582	2.3%
6010 - Benefits- Life Insurance	358	374	345	471	36.5%
6015 - Benefits-Retirement	21,757	24,540	23,543	23,790	1.0%
6020 - Benefits- Payroll Taxes	24,596	28,442	27,437	27,639	0.7%
6025 - Benefits Other	211	195	236	-	-100.0%
6040 - Merit/Incentives	1,025	-	-	3,499	100.0%
6050 - Compensation- Salary	327,484	361,298	359,670	364,911	1.5%
6055 - Professional Development	3,316	11,645	10,765	11,945	11.0%
<b>Total Payroll and Benefits</b>	<b>428,898</b>	<b>491,031</b>	<b>486,077</b>	<b>497,837</b>	<b>2.4%</b>
<b>Operating and General</b>					
6120 - Office Expense- Other	1,758	2,100	2,000	3,000	50.0%
6200 - Professional Fees- Consulting Fees	-	-	-	1,500	100.0%
6245 - Dues, Subscriptions, and Memberships	-	2,500	250	550	120.0%
6377 - Business Meals	-	-	-	200	100.0%
6380 - Travel- Lodging	7,465	7,550	5,150	9,800	90.3%
6390 - Travel - Meals	2,138	3,600	1,825	3,300	80.8%
6430 - Travel - Transportation	7,000	8,500	7,125	8,150	14.4%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>18,361</b>	<b>24,250</b>	<b>16,350</b>	<b>26,500</b>	<b>62.1%</b>
<b>Total Expenditures</b>	<b>\$ 447,259</b>	<b>\$ 515,281</b>	<b>\$ 502,427</b>	<b>\$ 774,337</b>	<b>54.1%</b>





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# CREDIT AND RISK



# CREDIT AND RISK

## GOALS

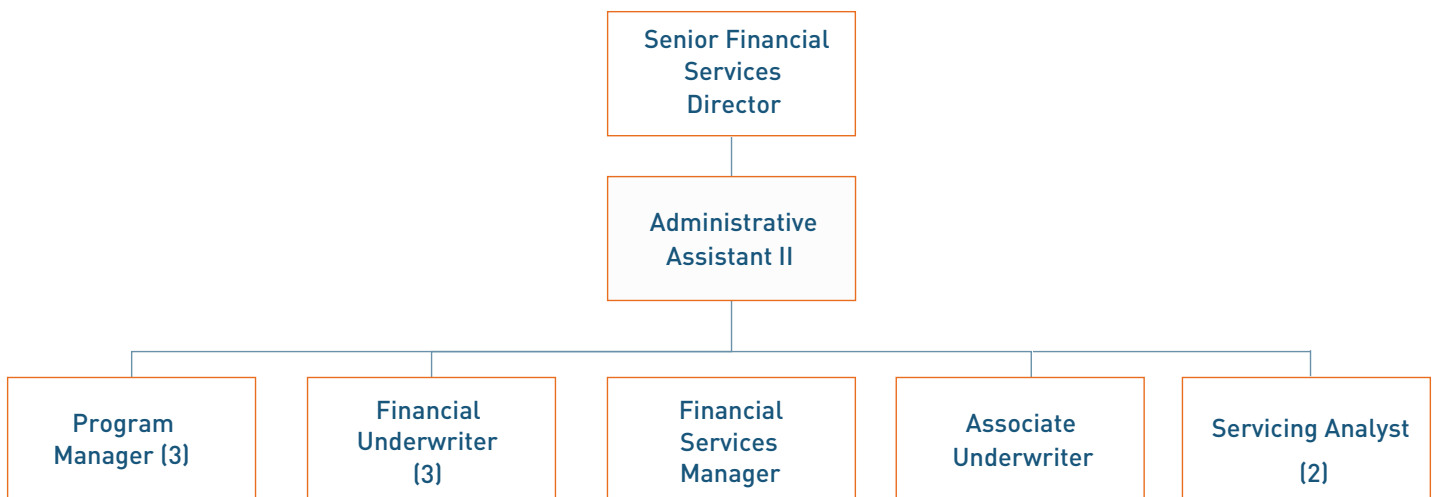
### The Credit and Risk Division has four goals:

- Underwrite and service award projects to ensure they are granted on a sound and reasonable basis. Monitor payment and reporting compliance during the time in which they are active or outstanding.
- Underwrite and service award projects within the committed timeframe, and communicate delays in a timely fashion to WEDC Regional Directors and other WEDC staff as needed.
- Provide expert and timely technical assistance to WEDC Regional Directors and other WEDC staff on program policies and performance metrics.
- Monitor the performance and risk of the award portfolio.

## ADMINISTRATIVE OVERSIGHT

The Credit and Risk division is primarily responsible for the underwriting and servicing of financial awards. The division analyzes applications for financial assistance, taking into account qualifications outlined in the statutes and program guidelines, as well as the projects' overall economic impact and financial risk, and makes recommendations for financial assistance to management. The division also monitors the award portfolio for performance and risk through the life of the award; underwrites amendment requests; and processes disbursements, award closeouts, and tax credit verifications.

## STAFFING



**Senior Financial Services Director** – Reports to the CFO. Manages and oversees the award underwriting and servicing activities and responsibilities of the Credit and Risk Division.

**Financial Services Manager** – Acts as a contact expert for all current programs offered by WEDC. Helps train new employees and cross-train current employees in the department. Provides analysis and review of award underwriting and servicing processes, process improvement initiatives, and new program implementations.

**Servicing Analyst** – Manages the credit and risk servicing functions related primarily to WEDC's tax credit portfolio. Additionally, shall be responsible for managing the credit and risk servicing functions related to the cash disbursements of WEDC's entire award portfolio.

**Program Manager** – Acts as the content expert within credit and risk for the programs in which they are assigned, and serves as the primary contact for stakeholders, staff and customers on issues related to the program. The Program Manager is also responsible for ongoing improvement of program execution including making policy recommendations if appropriate.

**Financial Underwriter** –Provides project management support to deliver projects within the established budget and timeline. Participates in project underwriting and servicing. Disseminates project information and is an active participant in project-related work groups and committees.

**Associate Underwriter** –Provides support to the team members on special projects, staff reviews, closeouts, disbursements, and other activities that are the responsibility of the team.

**Administrative Assistant II** –Provides support to the team on special projects, overseeing underwriting (URG) and management review (MRC) committee agendas and support materials.

## KEY STRATEGIC INITIATIVES

- Improve on established servicing guidelines and training materials to support the consistency required to meet the servicing needs of tax credits, grants and loan awards.
- Improve on established underwriting guidelines and training materials to provide additional consistency in the staff review and underwriting process.
- Manage the tax credit verification pipeline and significantly reduce backlog. Provide reasonable timelines to completion to the awardees upon receipt of completed performance report information.

## BUDGET NOTES

**Significant changes between the FY17 and FY18 budgets include:**

- Payroll and benefits are increasing due to the addition of one FTE to help support WEDC's award servicing functions.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.



Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Credit and Risk - 6600

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4042 - Revenue-SEP Admin	43,259	40,000	35,000	38,000	8.6%
4150 - Bond Servicing Fees	14,515	40,000	40,000	60,000	50.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>57,774</b>	<b>80,000</b>	<b>75,000</b>	<b>98,000</b>	<b>30.7%</b>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	136,382	118,146	108,921	87,417	-19.7%
6010 - Benefits- Life Insurance	512	476	386	684	77.2%
6015 - Benefits-Retirement	48,576	50,807	42,461	52,320	23.2%
6020 - Benefits- Payroll Taxes	57,495	58,892	50,689	62,361	23.0%
6023 - Benefits -HSA	692	-	2,914	1,558	-46.5%
6025 - Benefits Other	250	218	259	-	-100.0%
6040 - Merit/Incentives	6,175	-	-	6,751	100.0%
6050 - Compensation- Salary	736,642	753,320	672,257	823,327	22.5%
6055 - Professional Development	11,656	15,000	15,000	15,000	0.0%
<b>Total Payroll and Benefits</b>	<b>998,380</b>	<b>996,859</b>	<b>892,886</b>	<b>1,049,418</b>	<b>17.5%</b>
<b>Operating and General</b>					
6120 - Office Expense- Other	6,771	5,000	5,050	5,000	-1.0%
6220 - Professional Fees- Other Services	-	750	500	750	50.0%
6245 - Dues, Subscriptions, and Memberships	985	1,500	1,000	1,000	0.0%
6360 - Supplies & Equipment- Office Supplies	-	500	500	500	0.0%
6377 - Business Meals	-	-	-	300	100.0%
6380 - Travel- Lodging	2,785	5,000	3,000	5,000	66.7%
6390 - Travel - Meals	1,390	2,250	2,000	2,200	10.0%
6430 - Travel - Transportation	1,481	3,250	3,000	3,000	0.0%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>13,412</b>	<b>18,250</b>	<b>15,050</b>	<b>17,750</b>	<b>17.9%</b>
<b>Total Expenditures</b>	<b>\$ 1,011,792</b>	<b>\$ 1,015,109</b>	<b>\$ 907,936</b>	<b>\$ 1,067,168</b>	<b>17.5%</b>





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# LEGAL AND COMPLIANCE

# LEGAL AND COMPLIANCE

## GOALS

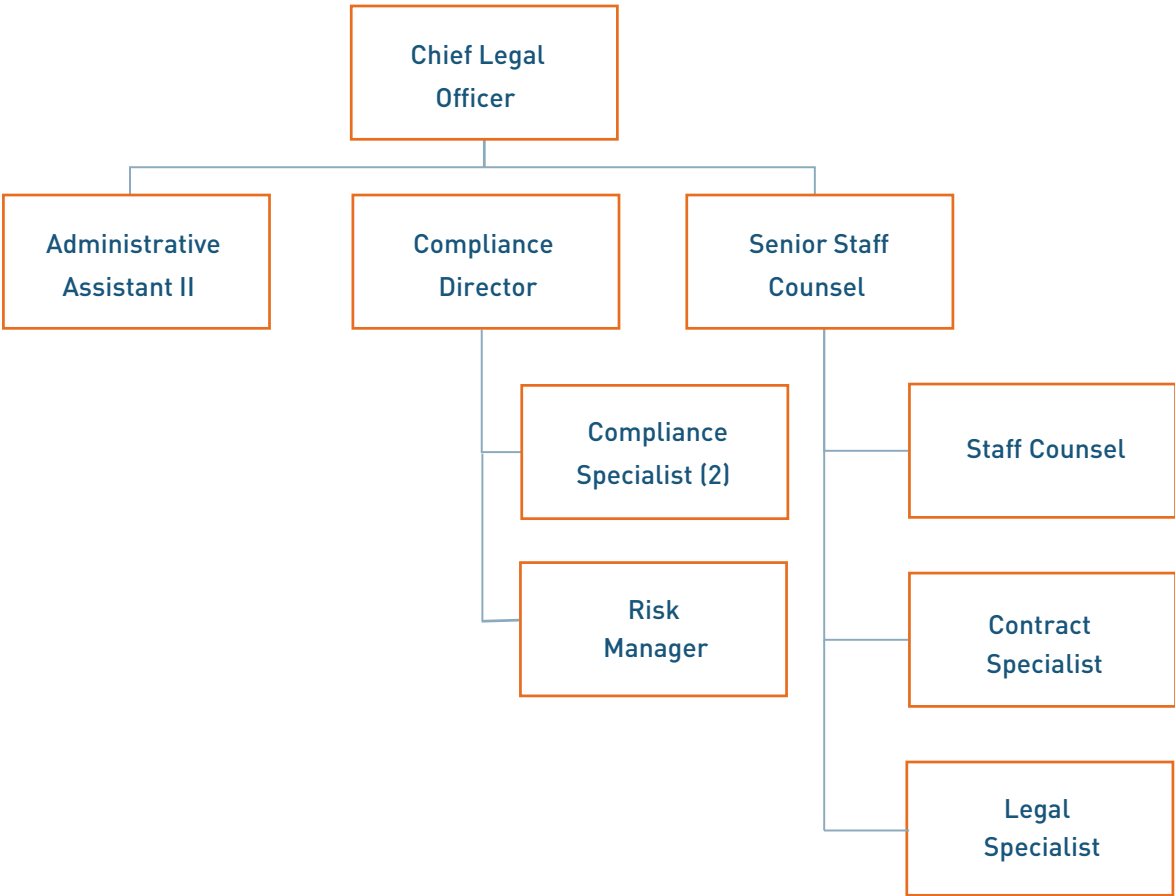
The Legal and Compliance Division has three goals:

- Ensure WEDC adheres to the laws, regulations, and policies that govern the organization.
- Provide valuable, timely legal counsel.
- Effectively manage contracting and record management services for the organization.

## ADMINISTRATIVE OVERSIGHT

The Legal and Compliance division supports WEDC to achieve its operational and programmatic goals and obligations driven by WEDC’s mission and strategic pillars. This support is provided with counsel and analysis on economic development program development and implementation, assisting other support divisions on legal and compliance related matters, providing contracting services for the entire organization, and supporting the Board and management in strategic and operational planning for WEDC. The Legal and Compliance Team also manages an internal monitoring program that tests compliance with WEDC’s systems policies and procedures, develops corrective actions, and assesses areas of risk. The team also oversees conflicts of interests, facilitates the timely production of external reports, and oversees WEDC’s records management and retention program.

## STAFFING





**Chief Legal Officer** – Reports to the CEO. Responsible for overall direction and management of the division and will assure execution of the divisional operations plan.

**Administrative Assistant - Executive Office** – Manages communications with the Board of Directors and coordinates meetings of the Board and its committees. Performs a wide variety of tasks as an assistant for the Chief Legal Officer as well as the team as a whole.

**Senior Staff Counsel** – Provides legal counsel on matters covering every step of an economic development assistance (from program development to contract negotiations to closing out awards) and vendor agreements. This position oversees the Staff Counsel, Legal Specialist, and Contract Specialist.

**Staff Counsel** – Reviews contracts, conducts research, and prepares analyses on legal matters; reviews pending awards for compliance with statutory and policy requirements. The Staff Counsel also handles public records requests, including compiling records, reviewing them, and responding to requestors.

**Contract Specialist** – Responsible for the coordination, drafting, reviewing, and finalizing all project-related contracts, amendments and other related WEDC assistance documents. This position also manages, conducts, and tracks security filings, including UCCs and mortgages.

**Legal Specialist** – Drafts and reviews project-related, procurement, and other contracts; managing contract templates; conducting legal research; conducting security filings; and assisting with open records requests.

**Compliance Director** – Leads WEDC’s ethics program and compliance efforts that ensure compliance with the policies, laws, and procedures governing WEDC, including managing external programmatic audits, reporting compliance, and organizational records management and retention.

**Risk Manager** – Designs and implements WEDC’s internal monitoring plan, along with performing internal monitoring and evaluations of WEDC’s compliance with both state and federal regulations, as well as organizational policies and procedures; oversees corrective actions developed from the internal monitoring.

**Compliance Specialists (2)** – Ensures WEDC’s compliance with the policies, laws, and regulations that govern the organization. Provides reports, guidance, and training on issues related to ethics, conflicts of interest, records management, external reporting.

## KEY STRATEGIC INITIATIVES

- Implement records strategy, including development of new records disposition authorization architecture and enhancing security for personally identifiable information.
- Implement enhanced process for biannual checks on audit findings and recommendations.
- Collaborate with other divisions in drafting and implementing more streamlined cross-divisional procedures related to award processes.

## BUDGET NOTES

**Significant changes between the FY17 and FY18 budgets include:**

- Payroll and benefits increased due to the addition of one FTE Legal Specialist, hired mid-year of FY17 and a LTE Compliance Associate.
- Merit and Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Legal and Compliance - 1100

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	320	200	280	200	-28.6%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>320</b>	<b>200</b>	<b>280</b>	<b>200</b>	<b>-28.6%</b>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	77,687	110,276	103,040	117,548	14.1%
6010 - Benefits- Life Insurance	81	79	75	85	13.3%
6015 - Benefits-Retirement	33,181	43,675	45,281	46,293	2.2%
6020 - Benefits- Payroll Taxes	36,312	50,624	53,532	58,796	9.8%
6023 - Benefits -HSA	-	-	-	1,558	100.0%
6040 - Merit/Incentives	3,000	-	-	6,309	100.0%
6050 - Compensation- Salary	504,616	644,730	718,982	776,264	8.0%
6055 - Professional Development	9,084	16,200	13,000	18,950	45.8%
<b>Total Payroll and Benefits</b>	<b>663,961</b>	<b>865,584</b>	<b>933,910</b>	<b>1,025,803</b>	<b>9.8%</b>
<b>Operating and General</b>					
6120 - Office Expense- Other	4,096	11,780	4,500	2,080	-53.8%
6210 - Professional Fees- Legal	125,338	85,000	85,000	85,000	0.0%
6245 - Dues, Subscriptions, and Memberships	2,514	3,445	3,445	6,535	89.7%
6360 - Supplies & Equipment- Office Supplies	1,506	500	500	1,000	100.0%
6375 - Events and Conferences	-	-	3,275	150	-95.4%
6377 - Business Meals	-	-	270	3,100	1048.1%
6380 - Travel- Lodging	1,583	6,925	2,655	6,000	126.0%
6390 - Travel - Meals	248	1,519	1,000	2,000	100.0%
6430 - Travel - Transportation	2,113	5,662	2,787	5,000	79.4%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>137,398</b>	<b>114,831</b>	<b>103,432</b>	<b>110,865</b>	<b>7.2%</b>
<b>Total Expenditures</b>	<b>\$ 801,359</b>	<b>\$ 980,415</b>	<b>\$ 1,037,342</b>	<b>\$ 1,136,668</b>	<b>9.6%</b>





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# FINANCE



# FINANCE

## GOALS

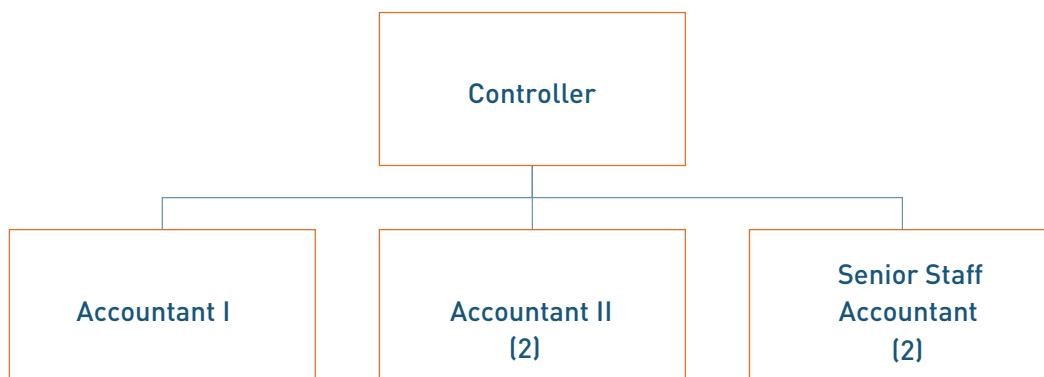
### The Finance Division has three goals:

- Through accurate financial reporting, maintain the financial integrity of WEDC.
- Through timely reporting and communication, provide good customer service to meet both internal and external stakeholder needs.
- Ensure the financial processes of the organization, including procurement, travel, disbursements, and investments are being applied consistently and carried out according to approved policy and procedures.

## ADMINISTRATIVE OVERSIGHT

The Finance division is responsible for maintaining the financial records of WEDC, in accordance with GAAP and GASB standards. In addition, the division is entrusted with maintaining and monitoring the internal control environment of WEDC, which includes the maintenance and enforcement of the financial policies and procedures of WEDC.

## STAFFING



**Controller** – Reports to the CFO. Responsible to plan, direct and manage the day to day operations of the finance department. The Controller has primary responsibility for ensuring regular periodic financial reporting and organizational compliance with internal control policies as they relate to financial matters.

**Staff Accountant I** – Reviews, maintains and controls financial records related to expenditures and receipts. Administrative functions include but are not limited to vendor management, accounts payable entry, processing disbursements, and employee reimbursements.

**Staff Accountant II** – Reviews, maintains, analyzes and controls accounts receivable and billing, bank account reconciliations, capital assets and procurement process. The position requires understanding of generally accepted accounting principles (GAAP), and reconciliations necessary to ensure proper accounting for assigned divisions or departments.

**Senior Staff Accountant** – Reviews, maintains, analyzes and controls financial records related to State grant and/or loan programs, staff credit cards, control financial records related to Federal grant programs and payroll financials transactions. The positions require a deeper understanding of GAAP, Federal reimbursement regulations, payroll expenses and liabilities, proper recording and reporting of financial activities.



## KEY STRATEGIC INITIATIVES

- Maximize WEDC's segregation of duties control, while providing adequate backup support.
- Provide cross-training for accounting staff, to insure all month-end closing functions have at least one back-up staff member who can provide support.
- Automate monthly and quarterly financial reports.

## BUDGET NOTES

### Significant changes between the FY17 and FY18 budgets include:

- Operating and General expenses are lower as FY17 included fees related to the biennial audit by the Legislative Audit Bureau (LAB). The next scheduled LAB audit is expected to occur in FY19.
- Debt Service increased due to an anticipated State Pension Obligation Bond balloon payment.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Finance - 6200

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4160 - Revenue-Investment Income	390,417	350,000	350,000	425,000	21.4%
4170 - Revenue-Other Income	3,739	-	10,000	10,000	0.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>394,156</b>	<b>350,000</b>	<b>360,000</b>	<b>435,000</b>	<b>20.8%</b>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	77,126	84,801	75,886	78,000	2.8%
6010 - Benefits- Life Insurance	168	98	86	99	15.1%
6015 - Benefits-Retirement	24,647	23,661	20,167	20,372	1.0%
6020 - Benefits- Payroll Taxes	27,973	27,426	22,843	22,918	0.3%
6023 - Benefits -HSA	462	-	1,587	1,558	-1.8%
6025 - Benefits Other	72	-	(2)	-	-100.0%
6040 - Merit/Incentives	3,525	-	-	2,996	100.0%
6050 - Compensation- Salary	375,720	349,506	300,738	302,581	0.6%
6055 - Professional Development	1,084	10,000	4,511	10,485	132.4%
<b>Total Payroll and Benefits</b>	<b>510,777</b>	<b>495,492</b>	<b>425,816</b>	<b>439,009</b>	<b>3.1%</b>
<b>Operating and General</b>					
6070 - Financial Fees- Bank Service Charges	12,777	13,200	13,200	13,200	0.0%
6120 - Office Expense- Other	7,942	32,560	9,768	9,768	0.0%
6200 - Professional Fees- Consulting Fees	86,491	178,750	203,500	94,000	-53.8%
6245 - Dues, Subscriptions, and Memberships	325	1,000	1,000	1,000	0.0%
6310 - Repairs & Maintenance- Automobiles	4,807	10,000	7,000	7,000	0.0%
6360 - Supplies & Equipment- Office Supplies	395	1,000	1,000	1,000	0.0%
6375 - Events and Conferences	27	500	500	500	0.0%
6377 - Business Meals	-	-	-	200	100.0%
6380 - Travel- Lodging	106	3,000	3,000	3,000	0.0%
6390 - Travel - Meals	77	1,000	1,000	800	-20.0%
6430 - Travel - Transportation	3,481	6,000	4,800	4,800	0.0%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>116,428</b>	<b>247,010</b>	<b>244,768</b>	<b>135,268</b>	<b>-44.7%</b>
<b>Capital</b>					
7040 - Vehicles	-	40,000	40,000	40,000	0.0%
<b>Total Capital</b>	<b>-</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>0.0%</b>
<b>Debt Service</b>					
8002 - Pension bonds principal	85,090	22,000	85,000	760,000	794.1%
8003 - Pension bonds interest	146,109	95,000	150,000	90,000	-40.0%
<b>Total Debt Service</b>	<b>231,199</b>	<b>117,000</b>	<b>235,000</b>	<b>850,000</b>	<b>261.7%</b>
<b>Total Expenditures</b>	<b>\$ 858,404</b>	<b>\$ 899,502</b>	<b>\$ 945,584</b>	<b>\$ 1,464,277</b>	<b>54.9%</b>





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# OPERATIONS AND PROGRAM PERFORMANCE

# OPERATIONS AND PROGRAM PERFORMANCE

## GOALS

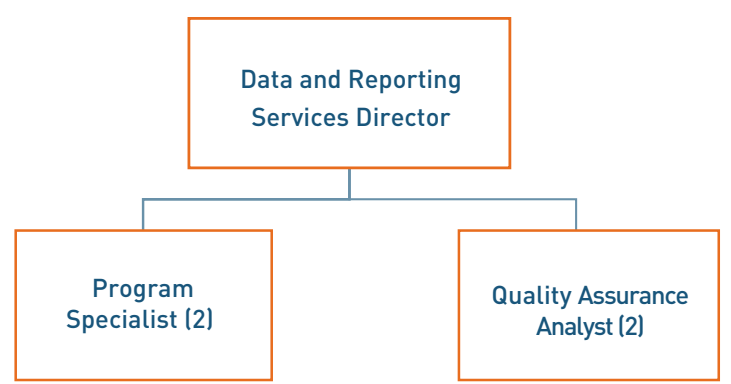
The Operations and Program Performance Division has three goals:

- Reach and maintain high levels of awards administration data quality.
- Facilitate program administration in an efficient and customer-oriented manner.
- Align data and reporting requirements with the strategic and operational needs of WEDC.

## ADMINISTRATIVE OVERSIGHT

The Operations and Program Performance division is responsible for the monitoring and oversight of system data generated from the awards administration process. This department will monitor and communicate the status of our data, in the aggregate as well as data field reconciliations, and will report findings and results to management, both implementing the appropriate controls within department and recommending controls external to the department. This department will also have subject matter experts on program and award administration. Staff will be an internal resource to ensure consistency among divisions and ensure consistent administration of awards.

## STAFFING



- Director** – Reports to the CEO. Oversees performance reporting compliance and manages collections; responsible for evaluating and managing process risk.
- Quality Assurance Analyst** – Performs quality assurance, quality control, inspection and audit of existing documentation and processes to reach a high level of accuracy within the critically defined data set. Assists in redefining and documenting processes, performs staff training, creates training documentation and tracks results.
- Program Analyst** – Manages collections on performance reports, SOEs and loans. Ensures appropriate follow-up to safeguard completed data on performance reports and certifies the system is consistent with results. Maintains forms and reports— specifically, performance reports and collections reporting. Assists with program guideline development and alignment with organizational process.



## KEY STRATEGIC INITIATIVES

- Provide performance reporting requirements analysis for creating a portal.
- Complete the first phase of program evaluation.
- Deliver client award servicing training framework.

## BUDGET NOTES

### Significant changes between the FY17 and FY18 budgets include:

- The Operation and Program Performance division is new for FY18. The division staff were previously included as part of the Executive Office division.
- Operating and General Expenses include funds to provide third party program evaluation assistance.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Operations & Program Performance - 1300

<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	-	-	-	54,371	100.0%
6010 - Benefits- Life Insurance	-	-	-	57	100.0%
6015 - Benefits-Retirement	-	-	-	18,089	100.0%
6020 - Benefits- Payroll Taxes	-	-	-	20,350	100.0%
6023 - Benefits -HSA	-	-	-	779	100.0%
6040 - Merit/Incentives	-	-	-	2,160	100.0%
6050 - Compensation- Salary	-	-	-	268,671	100.0%
6055 - Professional Development	-	-	-	8,735	100.0%
<b>Total Payroll and Benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>373,212</b>	<b>100.0%</b>
<b>Operating and General</b>					
6200 - Professional Fees- Consulting Fees	-	-	-	25,000	100.0%
6245 - Dues, Subscriptions, and Memberships	-	-	-	1,500	100.0%
6360 - Supplies & Equipment- Office Supplies	-	-	-	750	100.0%
6377 - Business Meals	-	-	-	200	100.0%
6380 - Travel- Lodging	-	-	-	3,000	100.0%
6390 - Travel - Meals	-	-	-	800	100.0%
6430 - Travel - Transportation	-	-	-	3,300	100.0%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,550</b>	<b>100.0%</b>
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 407,762</b>	<b>100.0%</b>





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# TECHNOLOGY AND INFORMATION SYSTEMS



# TECHNOLOGY AND INFORMATION SYSTEMS

## GOALS

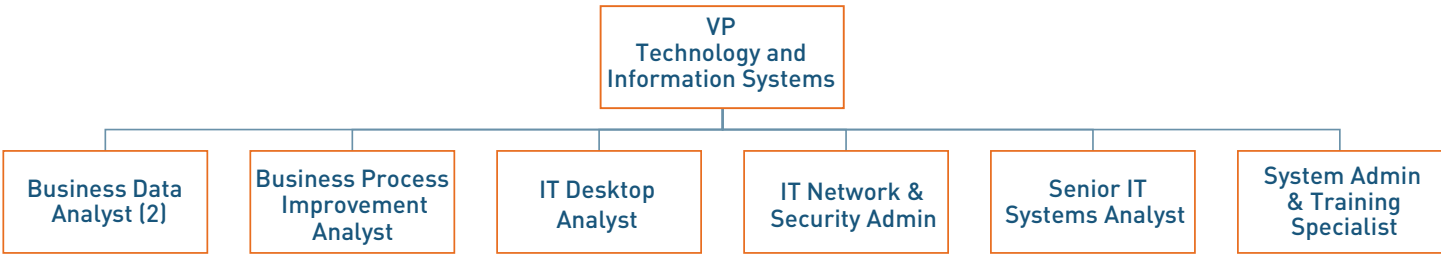
The Technology and Information Systems (IT/IS) Division has three goals:

- Focus on implementing internal controls, process alignment, and integrations to provide data integrity and transparency.
- Continuously improve processes to verify and report on WEDC accomplishments.
- Provide systems and controls to support compliance with the legislature, policy, and WEDC strategic pillars.

## ADMINISTRATIVE OVERSIGHT

The Technology and Information Systems division is tasked with control and development of WEDC’s information systems as well as gathering business requirements and mapping current processes to engineer solutions to mitigate risks, gaps, and maintain data integrity. IT/IS works across the organization to maintain continuity of systems and processes to support compliance with the legislature, policy, and WEDC strategic pillars.

## STAFFING



**Vice President** - Reports to the CFO. Responsible for the overall direction and management of division and will assure execution of the divisional operations plan.

**IT Network and Security Administrator** - Maintains computing environment by identifying network and server requirements; installing upgrades; monitoring network performance, problem diagnosis, and resolution.

**Senior IT Systems Analyst** - Assists in designing, developing and configuring computer programs, systems, and services across all WEDC systems.

**IT Desktop Analyst** - Provides first response/call resolution to WEDC employees, partners and customers in the use of WEDC technology solutions.

**System Administrator and Training Specialist** - Assists with day-to-day support of the WEDC Salesforce.com environment and development of integration processes across platforms, with the responsibility to provide technical training to WEDC staff on technology systems.

**Business Data Analyst** - Analyzes and manages data to ensure compliance with regulatory and other reporting requirements. Ensure alignment and consistency of data in operational systems. Proactively communicates and collaborates with staff to analyze information needs and functional requirements and translate them into the application and operational requirements.

**Business Process Improvement Analyst** - Collaborates with IT/IS to ensure that the software systems are designed and developed to meet functional requirements, ensuring alignment and consistency of data in operational systems.

## KEY STRATEGIC INITIATIVES

- Ratify key data definitions and business rules through the Data Governance Committee, and centralize the information for organizational consumption.
- Redesign WEDC's data model around a centralized database and rules engine.
- Recreate the award processing systems through a portalized environment to enhance transparency, data integrity, and process improvement.
- Simplify WEDC's document management systems and work with Compliance to design a records management system.

## BUDGET NOTES

### Significant changes between the FY17 and FY18 budgets include:

- Payroll and Benefits are increasing due to the addition of one FTE to help support WEDC's business data analysis and reporting needs.
- Operating and General expenses are lower due to the overall make-up of the IT development projects scheduled in FY18 require fewer outside service and equipment purchases than in FY17.
- Efficiencies have been achieved through internal development rather than contracting with external professional services.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Technology and Information Systems - 6300

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	69,656	72,970	72,350	81,611	12.8%
6010 - Benefits- Life Insurance	230	224	266	287	7.9%
6015 - Benefits-Retirement	30,661	35,342	34,962	40,202	15.0%
6020 - Benefits- Payroll Taxes	34,811	40,966	40,138	46,102	14.9%
6025 - Benefits Other	80	-	-	-	0.0%
6040 - Merit/Incentives	1,000	-	-	4,315	100.0%
6050 - Compensation- Salary	469,132	519,899	531,352	608,666	14.6%
6055 - Professional Development	9,375	25,197	35,000	20,919	-40.2%
<b>Total Payroll and Benefits</b>	<b>614,945</b>	<b>694,598</b>	<b>714,068</b>	<b>802,102</b>	<b>12.3%</b>
<b>Operating and General</b>					
6120 - Office Expense- Other	48,436	59,444	50,391	64,746	28.5%
6200 - Professional Fees- Consulting Fees	147,959	415,000	410,000	300,000	-26.8%
6260 - Software Services	722,472	797,443	832,443	955,203	14.7%
6290 - Repairs & Maintenance- Office Equipment	7,973	19,325	19,325	19,325	0.0%
6320 - Supplies & Equipment- Computer Supplies	85,218	328,000	288,000	110,000	-61.8%
6330 - Supplies & Equipment- Equipment Rental	30,628	50,000	55,000	37,500	-31.8%
6377 - Business Meals	-	-	200	200	0.0%
6380 - Travel- Lodging	6,665	8,000	10,000	7,800	-22.0%
6390 - Travel - Meals	1,436	2,000	3,300	2,000	-39.4%
6430 - Travel - Transportation	2,409	5,000	6,500	5,000	-23.1%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>1,053,196</b>	<b>1,684,212</b>	<b>1,675,159</b>	<b>1,501,774</b>	<b>-10.4%</b>
<b>Capital</b>					
7000 - Computer Software	18,430	-	-	-	0.0%
7040 - Vehicles	-	-	-	-	0.0%
<b>Total Capital</b>	<b>18,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenditures</b>	<b>\$ 1,686,571</b>	<b>\$ 2,378,810</b>	<b>\$ 2,389,227</b>	<b>\$ 2,303,876</b>	<b>-3.6%</b>





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# HUMAN RESOURCES



# HUMAN RESOURCES

## GOALS

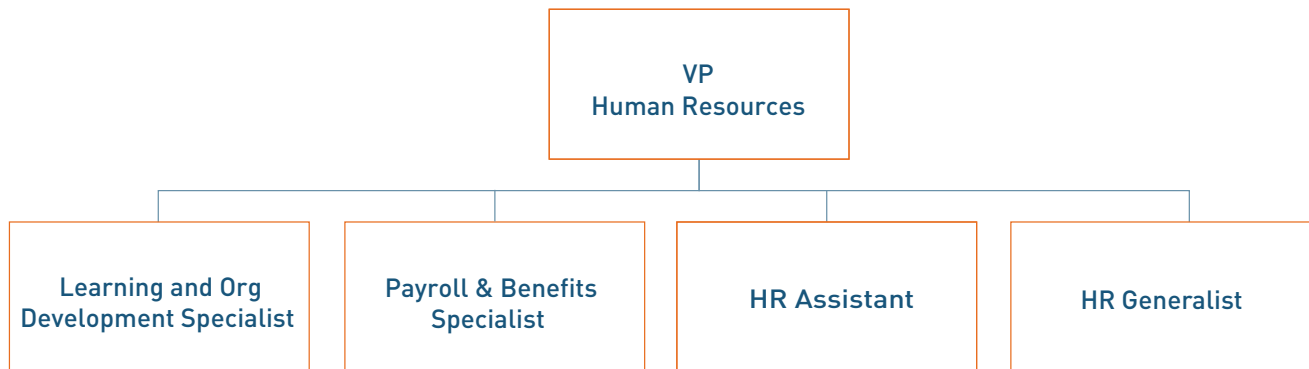
### The Human Resources (HR) Division has three goals:

- Position WEDC as an Employer of Choice by creating an environment where all people feel challenged, valued, supported, and recognized.
- Deliver a clear learning strategy that provides both internal and external opportunities for career and professional growth.
- Build trust-based relationship with employees and leaders to be able to anticipate and exceed the changing needs of the organization and team.

## ADMINISTRATIVE OVERSIGHT

The Human Resources division develops and delivers innovative human resource programs and services designed to support WEDC's mission in partnership with WEDC's Leadership team. The division's core services and competencies include acting as a business partner to leadership on all people-related activities; acquiring, engaging and retaining talent by standing out as an employer of choice; assisting with employee relations; organizational and employee development and training; risk management; compensation and benefits; payroll; HR information management; and regulatory compliance related to personnel management.

## STAFFING



**Vice President** – Reports to the CEO. Responsible for overall direction and management of the division and will assume execution of the divisional operations plan.

**Human Resources Generalist** – Builds strong relationships across the organization to serve as a partner and resource to leaders and employees. Responsible for recruitment, assistance with employee leave and FMLA administration, and human resources related projects.

**Payroll and Benefits Specialist** – Manages benefits administration and bi-weekly payroll processing. Responsible for design, delivery, and communication of benefit events and annual enrollment; responsible for HR related reporting and responding to and managing facilities needs in partnership with the VP of HR.

**Human Resources Assistant** – Assists with all core HR activities, including payroll, benefits, recruiting, employee leave and FMLA administration, learning, and onboarding. Responsible for drafting bi-weekly newsletter, managing department expenses, and providing outstanding service to internal and external customers.

**Learning and Organizational Development Specialist** – Works with leaders and individuals across the organization to conduct needs analysis and design and deliver learning and organizational development solutions that engage talent, grow the corporate culture, and positively impact the workplace.



## KEY STRATEGIC INITIATIVES

- Enhance the employee performance process to include a translation of the company mission into clear, actionable performance objectives to be cascaded to each division, leader, and employee. Adjust the timing of the performance process to separate it from the fiscal year to allow for considerate attention to the interactions.
- Create and implement talent development and succession planning strategies that are clear and easy to understand.
- Work with the WEDC Employer of Choice (EOC) committee to identify ways to engage current staff and attract and retain top performers.
- Define and deliver clear learning paths.

## BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Payroll and benefits are increasing due to new employee benefit programs.
- Operating and General expenses are increasing due primarily to an increase in rent for the Milwaukee Office and the addition of consulting fees related to the implementation of a new HR management system.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation  
Detailed Budget Worksheet

Human Resources - 6100

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
<b>Revenues</b>					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	8,927	-	200	200	0.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>8,927</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>0.0%</b>
<b>Expenditures</b>					
<b>Payroll and Benefits</b>					
6000 - Benefits- Health Insurance	41,061	49,292	67,742	82,281	21.5%
6010 - Benefits- Life Insurance	83	50	193	274	42.0%
6015 - Benefits-Retirement	16,935	23,157	24,902	26,412	6.1%
6020 - Benefits- Payroll Taxes	20,499	26,841	27,849	29,714	6.7%
6025 - Benefits Other	1,487	-	916	118,421	12828.1%
6040 - Merit/Incentives	125	-	-	3,884	100.0%
6045 - Employee Recruitment	11,032	9,280	5,000	7,410	48.2%
6050 - Compensation- Salary	272,021	347,039	376,620	392,299	4.2%
6055 - Professional Development	16,107	14,870	12,000	14,700	22.5%
<b>Total Payroll and Benefits</b>	<b>379,350</b>	<b>470,529</b>	<b>515,222</b>	<b>675,395</b>	<b>31.1%</b>
<b>Operating and General</b>					
6056 - Wellness	-	-	500	2,000	300.0%
6090 - Insurance- General Insurance	126,919	120,866	120,866	120,866	0.0%
6120 - Office Expense- Other	8,568	8,100	7,850	9,900	26.1%
6150 - Office Expense- Rent	427,389	524,000	524,000	538,000	2.7%
6200 - Professional Fees- Consulting Fees	5,564	21,600	21,600	39,300	81.9%
6245 - Dues, Subscriptions, and Memberships	1,075	2,329	2,329	2,720	16.8%
6270 - Repairs & Maintenance- Building	3,953	3,600	3,600	3,600	0.0%
6340 - Supplies & Equipment- Office Furniture	-	-	3,500	3,000	-14.3%
6360 - Supplies & Equipment- Office Supplies	12,919	12,500	9,000	15,000	66.7%
6377 - Business Meals	-	-	300	400	33.3%
6380 - Travel- Lodging	1,939	5,120	5,120	4,800	-6.3%
6390 - Travel - Meals	2,459	1,080	1,080	2,200	103.7%
6430 - Travel - Transportation	1,756	3,380	2,280	2,500	9.6%
6530 - Other Expense	-	-	-	-	0.0%
<b>Total Operating and General</b>	<b>592,741</b>	<b>702,575</b>	<b>702,025</b>	<b>744,286</b>	<b>6.0%</b>
<b>Capital</b>					
7020 - Furniture & Fixtures	-	16,000	16,000	16,000	0.0%
7030 - Leasehold Improvements	-	59,000	59,000	68,000	15.3%
7040 - Vehicles	-	-	-	-	0.0%
<b>Total Capital</b>	<b>-</b>	<b>75,000</b>	<b>75,000</b>	<b>84,000</b>	<b>12.0%</b>
<b>Total Expenditures</b>	<b>\$ 972,091</b>	<b>\$ 1,248,104</b>	<b>\$ 1,292,247</b>	<b>\$ 1,503,681</b>	<b>16.4%</b>



The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. WEDC provides resources, operational support and financial assistance to companies, partners and communities in Wisconsin. WEDC achieves its mission through initiatives driven by five strategic pillars: business development; community and economic opportunity; strategic economic competitiveness; state brand management and promotion; and operational and fiscal excellence. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network.

Visit [InWisconsin.com](http://InWisconsin.com) to learn more.



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Madison, WI 53703

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**Wisconsin Economic Development Corporation**

**Resolution of the Board of Directors**

July 13, 2017

Re: Resolution on Sixth Amended & Restated Bylaws

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, § 238.04(1) of the Wisconsin Statutes permits the Board of Directors to adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and the conduct of its business.

WHEREAS, Now, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, the Sixth Amended and Restated Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Sixth Amended and Restated Bylaws of the Corporation.

RESOLVED, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 13, 2017.

# **WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

## **SIXTH AMENDED & RESTATED BYLAWS**

**Effective July 13, 2017**

### **ARTICLE I**

#### **Purposes of the Corporation**

The purposes of Wisconsin Economic Development Corporation, a public body corporate and politic (the “Corporation”), shall be as set forth in Chapter 238 of the Wisconsin Statutes (the “Authorizing Statute”). These Bylaws specify various matters affecting the operations and governance of the Corporation.

### **ARTICLE II**

#### **Members**

The Corporation shall have no members but shall be managed by its Board of Directors as set forth in Article III of these Bylaws and the Authorizing Statute.

### **ARTICLE III**

#### **Directors**

Section 1. Powers. Subject to the limitations of the Authorizing Statute and these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors.

Section 2. Number, Qualification & Term.

(a) The number of Directors of the Corporation shall be fourteen, twelve of which shall be voting and two of which shall be nonvoting.

(b) The Governor of the State of Wisconsin (the “Governor”) shall nominate, and with the advice and consent of the Wisconsin Senate (the “Senate”), appoint six Directors of the Corporation (each a “Governor Appointed Director” and collectively, the “Governor Appointed Directors”). The Governor Appointed Directors shall serve at the pleasure of the Governor. The Governor Appointed Directors shall serve staggered four-year terms or until such Governor Appointed Director’s death or resignation.

(c) The Speaker of the Wisconsin Assembly (the “Assembly”) shall appoint three Directors of the Corporation (each a “Speaker Appointed Director” and collectively, the “Speaker Appointed Directors”). The Speaker Appointed Directors shall consist of: one Representative to the Assembly from the Speaker’s party; one Representative to the Assembly from the minority party (or, if there is more than one minority party, then from the largest party other than the Speaker’s party); and one person who is not directly employed by a governmental agency or authority. Each of the Representatives who shall serve as Speaker Appointed Directors shall be chosen in the same manner in which Representatives of the Assembly are appointed to standing committees in the Assembly. The Speaker Appointed Directors shall serve at the pleasure of the Speaker of the Assembly or until such Speaker Appointed Director’s death or resignation, except that the Speaker Appointed Director who is a Representative in the



minority party in the Assembly shall serve at the pleasure of the Minority Leader of the Assembly or until such Director's death or resignation.

(d) The Majority Leader of the Senate shall appoint three Directors of the Corporation (each a "Majority Leader Appointed Director" and collectively, the "Majority Leader Appointed Directors"). The Majority Leader Appointed Directors shall consist of: one Wisconsin state Senator from the Majority Leader's party; one Wisconsin state Senator from the minority party (or, if there is more than one minority party, then from the largest party other than the Majority Leader's party); and one person who is not directly employed by a governmental agency or authority. Each of the Wisconsin state Senators who serve as Directors shall be chosen in the same manner in which Wisconsin state Senators are appointed to standing committees in the Senate. The Majority Leader Appointed Directors shall serve at the pleasure of the Majority Leader of the Senate or until such Majority Leader Appointed Director's death or resignation, except that the Majority Leader Appointed Director who is a Senator in the minority party in the Senate shall serve at the pleasure of the Minority Leader of the Senate or until such Director's death or resignation.

(e) The Secretary of Administration for the State of Wisconsin and the Secretary of Revenue for the State of Wisconsin shall each serve as nonvoting Directors of the Corporation, commencing on the date of each Secretary's term and terminating when each Director no longer serves as a Secretary of the departments set forth herein, at which time the succeeding Secretary shall become a non-voting Director.

Section 3. Resignation. A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary of the Corporation, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. This section shall not apply to the Secretary of Administration, or the Secretary of Revenue, who may not resign from the Corporation so long as he or she holds the office giving rise to his or her position as a Director of the Corporation. In the event one of the public officials who serves as a Director by virtue of holding such office (i.e., Representative, Senator, Secretary of Administration, or Secretary of Revenue) ceases to serve in the public office that gave rise to his or her appointment as a Director of the Corporation, such public official shall be deemed to tender his or her resignation when he or she is no longer serving in the public office that gave rise to his or her appointment. For example, if a Speaker Appointed Director who is a Representative ceases to be a Representative, that Speaker Appointed Director shall be deemed to have resigned.

Section 4. Removal. Any Governor Appointed Director may be removed from office at any time, with or without cause, by the Governor. Any Speaker Appointed Director may be removed from office, at any time, with or without cause, by the Speaker. Any Majority Leader Appointed Director may be removed from office at any time, with or without cause, by the Majority Leader.

Section 5. Vacancies. A vacancy or vacancies in the Board of Directors occurring for any reason may be filled by the individual who has the authority to appoint a

Director to the vacated seat, under the same terms and provisions as set forth in this ARTICLE III. Each Director so appointed shall hold office until such Director's successor is elected and qualified, or until such Director's death, resignation or removal.

Section 6. Meetings.

(a) Annual Meeting. A regular meeting of the Board of Directors, designated as the annual meeting, shall be held each year at such time and place as may be designated by the Chairperson of the Corporation, or by any Vice Chairperson if the Chairperson is unable to act, for the election of officers and the transaction of such other business as may properly come before the meeting. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year, the meeting, upon waiver of notice or upon due notice, may be held at a later date.

(b) Other Regular Meetings. Other regular meetings of the Board of Directors of the Corporation may be held at such regularly recurring time and place as the Board of Directors may designate.

(c) Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be held whenever called by the CEO of the Corporation (as defined below), by a majority of the Directors, or by the Chairperson of the Corporation or if the Chairperson is absent or is unable or refuses to act, by any Vice Chairperson.

(d) Open Meetings. All meetings of the Board of Directors shall be held in compliance with Wisconsin's Open Meetings Law, Wis. Stats. §§ 19.81-98.

Section 7. Notices. Except as otherwise provided in these Bylaws, notice of any meeting of the Board of Directors, in each case specifying the place, date and hour of the meeting, shall be given to each Director by written notice delivered in person, by electronic mail, or by mail or private carrier, not more than sixty days prior to the date of the meeting, but at least twenty-four hours before the time set for such meeting or, if notification is by mail, by mailing such notice at least five days before the day set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Director at the Director's address as it appears on the records of the Corporation. Except as otherwise provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such notice of such meeting.

Section 8. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, a written waiver of notice of the meeting, containing the same information as would have been required to be included in a proper notice of the meeting, is signed by (a) each Director not present at the meeting and (b) each Director present at the meeting who objected to the transaction of any business because the meeting was not lawfully called or convened. All such waivers shall be filed with and made a part of the minutes of the meeting. Notwithstanding

anything contained in this Section, no Director or Directors have the authority to waive any requirements pursuant to Wisconsin's open meetings law.

Section 9. Quorum; Action of Directors. A majority of the number of voting Directors appointed to and serving as Directors of the Corporation pursuant to these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act or decision of the Board of Directors, unless the act of a greater proportion is required by law, the Authorizing Statute or these Bylaws. The voting on all questions at a meeting shall be by voice vote, unless a Director requests a roll call vote, in which case each Director's vote shall be reflected in the meeting minutes.

Section 10. Adjournment. Any meeting of the Board of Directors, whether regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

Section 11. Organization. The Chairperson of the Corporation, or in the absence of the Chairperson, the Vice-Chairperson, shall act as chair at every meeting of the Board of Directors. The Secretary of the Corporation, or in the absence of the Secretary, any person appointed by the chairperson of the meeting, shall act as Secretary of the meeting.

Section 12. Methods of Conducting Meetings. Directors may participate in any regular or special meeting or in any meeting of a committee of Directors by any means of communication by which either (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is conducted through the use of one of the foregoing means, all participating Directors must be informed that a meeting is taking place at which official business may be transacted. A Director participating in such a meeting is deemed to be present in person at the meeting. If requested by any Director, minutes of the meeting shall be prepared and distributed to each Director.

Section 13. Compensation. The Directors shall not receive compensation for their service on the Board of Directors; provided, however, that Directors of the Corporation shall be entitled to reimbursement of necessary expenses, including travel expenses.

Section 14. Committees. The Board of Directors or the Chairperson of the Board may authorize the creation of any standing and/or temporary committees to consider appropriate matters, make reports to the Chairperson and/or Board of Directors, and fulfill such other advisory and decision making functions as may be designated. The Board of Directors or the Chairperson of the Board may appoint or remove committee members (whether or not the committee member is a Director). The designation of such standing and/or temporary committees, and the committee members thereof, shall be recorded in the minutes of the Board of Directors at the immediately following meeting.

## **ARTICLE IV**

### **Officers**

Section 1. Officers. The Corporation shall have a CEO, a Chairperson, one or more Vice Chairpersons, a Secretary, a Treasurer and such other officers or assistant officers as the Directors may from time to time elect. The Chairperson shall be a Director employed in the private sector. Any two or more of said offices may be held by the same person, except that (a) no person may serve as CEO and any one of the other offices; (b) the offices of Chairperson and Secretary may not be held by the same person; and (c) the offices of Chairperson and Vice Chairperson may not be held by the same person.

Section 2. Election. Other than the office of CEO, the officers of the Corporation shall be chosen annually by the Board of Directors at its annual meeting, and each officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal as either an officer or as a Director. Election or appointment as an officer shall not of itself create contract rights.

Section 3. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary or the Board of Directors as the case may be, and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. If an officer resigns as a Director of the Corporation, it shall be deemed a resignation as an officer as well.

Section 4. Removal. Any officer other than the CEO, may be removed from office by the action of the Board of Directors, whenever in its judgment the best interests of the Corporation will be served thereby, without prejudice to the contract rights, if any, of the officer so removed.

Section 5. Vacancies. A vacancy occurring in any office other than the office of CEO, for any reason, may be filled for the unexpired portion of the term of said office by the Board of Directors. A vacancy in the office of CEO shall be filled in accordance with this ARTICLE IV by appointment of the Governor.

Section 6. Chairperson. The Chairperson shall have such duties, responsibilities and powers as may be necessary to carry out the directions and policies of the Board of Directors or as are prescribed in these Bylaws or otherwise delegated by the Board of Directors and shall at all times be subject to the policies, control and direction of the Board of

Directors. The Chairperson shall preside at all meetings of the Corporation. The Chairperson shall have authority, subject to the rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document consistent with the foregoing general delegation of authority or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. Notwithstanding the foregoing, neither the Chairperson nor any other officer other than the CEO may sign any deed or instrument of conveyance or endorse any security or execute any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness without the specific authority of the Board of Directors pursuant to ARTICLE V below of these Bylaws dealing with such matters. The Chairperson shall, whenever it may in the Chairperson's opinion be necessary, prescribe the duties of other officers and employees of the Corporation, in a manner not inconsistent with the provisions of these Bylaws and the directions of the Board of Directors.

Section 7. Vice Chairpersons. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. If at any such time the Corporation has more than one Vice Chairperson, the duties and powers of the Chairperson shall pass to the Vice Chairpersons in order of their rank as fixed by the Board of Directors, or if they are not so ranked, to the Vice Chairperson designated by the Board of Directors. The Vice Chairpersons shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors, or these Bylaws.

Section 8. Secretary. The Secretary shall perform, or have performed under the Secretary's direction, the following functions:

(a) Certify and keep at the principal office of the Corporation a copy of the Authorizing Statute and an original or copy of these Bylaws, as amended or otherwise altered to date.

(b) Keep at the principal office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings of the Board of Directors and committees thereof, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, and the names of those present at the meetings.

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(d) Be custodian of the records and of the seal of the Corporation, if any, and see that it is engraved, lithographed, printed, stamped, impressed upon, or affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

(e) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.

(f) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall perform, or have performed under the Treasurer's direction, the following functions:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositaries as shall be selected by the Board of Directors.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

(c) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.

(d) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

Section 10. Chief Executive Officer.

(a) Appointment Process. The Governor shall nominate, and with the advice and consent of the Senate appoint, the Chief Executive Officer of the Corporation (the "CEO"), to serve at the pleasure of the Governor. For avoidance of doubt, when a new Governor takes office, the CEO shall remain as CEO of the Corporation unless and until the CEO is removed. The CEO may resign at any time by filing his or her written resignation with the Secretary of the Corporation. If the office of CEO is vacant, the COO may exercise all powers and duties of the CEO as otherwise assigned by these Bylaws, the Authorizing Statute, or the Board of Directors.

(b) Authority of CEO.

(1) *General Authority*. The Board of Directors may delegate to the CEO or other WEDC employee any powers and duties the Board of Directors deems necessary, appropriate, or proper. The powers and duties delegated here are subject to the Board reserving for itself – through the Board or a Committee of the Board – the delineated power or duty.

(2) *Execution of Documents for Administration of the Corporation*. The CEO shall have authority (or delegate authority), subject to rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document the CEO deems necessary, appropriate, or proper in the day-to-day management of the Corporation, or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to



some other officer or agent of the Corporation. For the avoidance of doubt, this subsection conveys to the CEO the authority to execute documents, contracts, and other instruments required for the day-to-day operation of the Corporation, including all day-to-day purchases by the CEO (or his or her delegate) that are deemed necessary or appropriate for the efficient functioning of the Corporation. The CEO may execute, or may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (other than bonds) without the specific authority of the Board of Directors, provided that such checks, draft, or indebtedness is in furtherance of the operation of the Corporation or is otherwise authorized by the Authorizing Statute. Nothing in this subsection, or anywhere else in these Bylaws, shall be deemed to convey to the CEO the authority to incur debt on behalf of the Corporation unless such debt is specifically set forth in a budget approved by the Board of Directors or is otherwise in the ordinary course of business.

(3) *Execution of Documents Related to Economic Development Programs.* In furtherance of the Corporation's mission to foster economic development (as defined in Wis. Stat. § 238.01(3)) within the State of Wisconsin, the CEO may execute (or delegate authority to execute) contracts or other documents related to the Corporation's economic development programming, including loans, grants, and/or tax credits. The CEO shall provide reports to the Board of Directors conveying the amount of any loans, grants, and/or tax credits, broken down by organization or entity to which those funds are allocated. The Board of Directors must approve the designation of an enterprise zone (as designated by the Corporation from time to time) and the amount and type of tax credits allocated to such enterprise zone.

(4) *Acceptance of Gifts from Private Sources.* Only the CEO may accept gifts, contributions, donations, and bequests from private sources (collectively "gifts") for the benefit of the Corporation. However, the CEO's authority under this subsection is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights, or indebtedness.

(5) *Acceptance of Grants, and Gifts from Public Sources.* Only the CEO may accept grants from public and private sources, and gifts, contributions, donations, and bequests from public sources (collectively "gifts") for the benefit of the Corporation.

(6) *Budget.* The CEO may establish (or delegate the establishment of) the Corporation's budget, and may monitor (or delegate the monitoring of) the Corporation's fiscal management.

(7) *Employment Matters.* The CEO may (or may delegate authority to), from time to time, employ any officers, agents, and/or employees that the CEO deems necessary or appropriate to fulfill the Corporation's needs, and the CEO may determine those officers', agents', and/or employees' qualifications, duties, compensation, and benefits. The CEO may also establish and enforce the Corporation's personnel and human resources policies and procedures.

(8) *Bonding Authority.* The CEO may, from time to time, issue (or delegate the authority to issue) bonds on behalf of the Corporation but only after obtaining the approval by the Board of Directors.

(9) *Separate Corporation.* Upon approval by the Board of Directors and as authorized by the appropriate organizational documents, the CEO may create and manage (or delegate authority to create and manage) a corporation organized under chapter 181 of the Wisconsin Statutes for the benefit of the Corporation. Such management shall include the authority to exercise the powers reserved to the Corporation under the separate corporation's organizational documents.

(10) *Procuring Insurance.* The CEO may procure (or delegate authority to procure) any insurance the CEO deems necessary, appropriate, or proper for management of the Corporation.

Section 11. Compensation. The salary of the CEO shall be fixed from time to time by the Board of Directors or a duly authorized committee thereof. Salaries of other principal officers and personnel shall be fixed from time to time by the CEO or by a duly authorized committee of the Board of Directors and shall be consistent with policies determined by the Board of Directors.

## **ARTICLE V**

### **Instruments; Bank Accounts; Checks and Drafts; Loans; Securities**

Section 1. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other requirements as set forth herein or in Board resolutions, the CEO may execute or delegate the execution, of all contracts and other instruments required for the operation of the Corporation, together with any documents necessary to issue bonds, notes, to incur other debt obligations or to provide grants (if so approved by the Board either specifically or generally) and, when necessary, shall ensure that the Corporation's seal is affixed to any such document.

Section 2. Bank Accounts. The Board of Directors or the CEO from time to time may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositaries as may be selected by the Board or by any officer or officers, agent or agents of the Corporation.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or as otherwise set forth in these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositaries may be made without counter-signature by the CEO, Chairperson or any Vice Chairperson or the Treasurer, or by any other officer or agent of the Corporation.

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors or as otherwise provided pursuant to ARTICLE IV. Such authority may be general or confined to specific instances.

Section 5. Facsimile Signatures and Seal. The seal of the Corporation on any document referenced in this ARTICLE V may be a facsimile. The signatures of the Chairperson, Vice Chairperson, and CEO may be facsimiles.

Section 6. Signatures by Former Officers. In case any officer, who has signed or whose facsimile signature has been placed upon any document referenced in this ARTICLE V, shall have ceased to be such officer before such evidence is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue.

## **ARTICLE VI** **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Corporation shall Commence on the first day of July in each year and close on the next succeeding June 30.

Section 2. Corporate Seal. The seal of the Corporation shall contain the name of the Corporation and the word "Wisconsin."

Section 3. Resolutions as Severable, Superseding, and Authorizing. Unless otherwise expressly provided, if any one or more of the provisions of any resolution of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed and construed to be severable from the remaining provisions therein contained and shall in no way affect the validity of the other provisions of such resolution. Unless otherwise expressly provided, each resolution of the Corporation shall be deemed to rescind and repeal all prior resolutions, rules or other actions, or part thereof, of the Corporation in conflict with such subsequent resolution insofar (and only insofar) as such conflict exists. This provision shall not apply to conflicts between resolutions and the Bylaws of the Corporation, as such conflicts shall be resolved in accordance with ARTICLE VIII's

provisions on conflict. The officers of the Corporation, attorneys, agents or employees of the Corporation shall be automatically authorized to do all acts and things required of them by any resolution of the Corporation for the full, punctual and complete performance of all of the provisions of such resolution.

## **ARTICLE VII**

### **Indemnification**

Section 1. Indemnification for Successful Defense. The Corporation shall indemnify a Director, officer or employee to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director, officer or employee was a party because he or she is a Director, officer or employee of the Corporation.

Section 2. Other Indemnification. In cases not included under ARTICLE VII, Section 1, the Corporation shall indemnify a Director or officer against liability incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

(a) A willful failure to deal fairly with the Corporation in connection with a matter in which the Member or officer has a material conflict of interest;

(b) A violation of the criminal law, unless the Director or officer has reasonable cause to believe that his or her conduct was lawful or has no reasonable cause to believe that his or her conduct was unlawful;

(c) A transaction from which the Director or officer derived an improper personal profit; or

(d) Willful misconduct, including a violation of the ethics laws as set forth in Wis. Stat. Chapter 19 (as amended and modified from time to time) to which Directors are subject.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

Section 3. Allowance of Expenses. Within 10 days after receipt of a written request by a Director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance (together with reasonable interest thereon) to the extent that it is ultimately determined

under ARTICLE VII, Sections 1 and 2 that indemnification is not required. The undertaking under this Section shall be an unlimited general obligation of the Director or officer, and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured as determined by the Board of Directors.

Section 4. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the Director or officer and the Corporation, a decision on whether the Director or officer seeking indemnification under this ARTICLE VII shall be indemnified will be determined by one of the following means for establishing his or her right to indemnification:

(a) By a majority vote of a quorum of the Directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, then the disinterested Directors shall select by majority vote from among subsections (b) and (c), below.

(b) By independent legal counsel selected by a majority vote of a quorum of the Directors at the time parties to the same or related proceedings or, if (and only if) unable to obtain such a quorum, by a majority vote of all of the Directors, including Directors who are parties to the same or related proceedings.

(c) By a panel of three arbitrators consisting of one arbitrator selected by those Directors entitled under the previous subsection to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

Section 5. Other Rights. The indemnification provided by this ARTICLE VII shall not be deemed exclusive of any other indemnity which the Directors, or the Corporation, may lawfully grant or any other rights to which any officer, Director, employee or agent may be entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would be obligated to indemnify him or her against such liability under the provisions of this ARTICLE VII. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

## **ARTICLE VIII**

### **Amendment**

These Bylaws may be amended or amended and restated by the Board of Directors. The amendment must be approved by a two-thirds majority of the Directors present at a duly authorized meeting that fulfills the quorum requirements set forth herein. To the extent any action by the Board of Directors is inconsistent with these Bylaws, as in effect at the time of the action, but the action is taken by at least the number of Directors that would be necessary to

amend the Bylaws, then such action shall be given the same effect as though the Bylaws had been temporarily amended to the extent necessary to permit the specific action to be authorized and taken by the Board of Directors.



**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

January 25, 2018

Re: Resolution Approving the WEDC Response to the 17-9 Legislative Audit Bureau Recommendations

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to WEDC's enabling statutes, Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.04(1) empowers the Board to adopt, among other things, policies and procedures for the regulation of its affairs and the conduct of its business; and

**WHEREAS**, the Audit Committee has reviewed the WEDC Response to the 17-9 Legislative Audit Bureau Recommendations ("WEDC Audit Response") on January 22, 2018, and submitted the WEDC Audit Response for approval by the Board.

**WHEREAS**, the Board has reviewed on the date of this resolution the WEDC Audit Response.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Board approves the WEDC Audit Response accompanying this resolution for submission to the Joint Legislative Audit Committee.

This Resolution shall take effect immediately upon its adoption on January 25, 2018.

## **Wisconsin Economic Development Corporation Resolution of the Board of Directors**

February 22, 2018

Re: Resolution Amending the Fiscal Year 2018 Budget

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization.

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

**WHEREAS**, on July 13, 2017 the Board did adopt the fiscal year 2018 budget.

### **NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2018 budget as amended on the attached which is made a part of this resolution, is approved.

**RESOLVED**, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on February 22, 2018.

**Wisconsin Economic Development  
Corporation Resolution of the Board of  
Directors**

July 13, 2017

Re: Resolution on Officer Elections

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 2 of the Bylaws requires the Board of Directors elect at its annual meeting a Chair, Vice Chair, Secretary, and Treasurer

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Lisa Mauer is elected Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Vice Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Secretary of the Board of Directors.

**RESOLVED**, Dave Drury is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 13, 2017.

**OFFICER'S CERTIFICATE  
OF  
WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

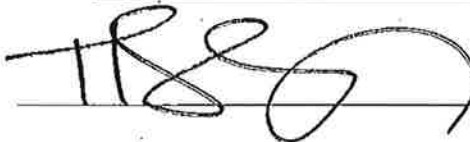
The undersigned, Paul F. Jadin, Chief Executive Officer, and Hannah L. Renfro, Chief Legal Counsel, of the Wisconsin Economic Development Corporation, a Wisconsin public body corporate and politic (the "Corporation"), hereby certify, on behalf of the Corporation and not individually, that the attached organizational resolutions are true, correct, and complete copies of the resolutions adopted by the Board of Directors of the Corporation on May 18, 2011. The attached resolutions have not been amended, modified, or rescinded and remain in full force and effect as of the date signed below.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate as of this 6th day of June, 2011.



Name: Paul F. Jadin

Title: Chief Executive Officer



Name: Hannah L. Renfro

Title: Chief Legal Counsel

**Wisconsin Economic Development Corporation  
Resolutions of the Board of Directors**

May 18, 2011

Re: Organizational Resolutions

The following resolutions of the Board of Directors of the Wisconsin Economic Development Corporation, a Wisconsin public body corporate and politic (the "Corporation") are hereby adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes (the "Authorizing Statute"):

**Adoption of Organizational Documents**

WHEREAS, the Authorizing Statute was enacted on February 9, 2011 and published on February 23, 2011, and has been codified as Wisconsin Statute 238; and

WHEREAS, Section 238.04(1) of the Authorizing Statute permits the Board of Directors of the Corporation to adopt bylaws, policies, and procedures for the Corporation.

RESOLVED, the Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Bylaws of the Corporation.

RESOLVED, the Board of Directors ratifies the application for and obtaining of a federal employer identification number (45-1832104) on behalf of the Corporation.

RESOLVED, that the Policy on the Chief Executive Officer's Report to the Board of Directors at the Annual Meeting, attached as Exhibit B, is approved and adopted as the standing policy of the Corporation.

RESOLVED, that the Chief Executive Officer of the Corporation (the "CEO") or his designee(s) are each authorized on behalf of the Corporation to open such bank accounts as they in their sole discretion shall deem necessary or convenient to conduct the affairs of the Corporation; the authorized signer or signers of checks or withdrawal orders shall be any person whose name and signature shall have been certified to such bank from time to time by the CEO, or his designee(s), and any such bank shall be fully protected in relying upon any such certification until it shall have received written notice of a change in such signing authority.

RESOLVED, that if such bank shall require a specific resolution in any different form, but generally consistent with, the foregoing, such other resolution shall be deemed to have been fully approved and adopted and may be so certified by the CEO, or his designee(s), and whenever approved by such person, a copy shall be attached as Exhibit C.

### Transition Activities

WHEREAS, the Authorizing Statute and its authorizing legislation (2011 Wisconsin Act 7) (the "Authorizing Legislation") contemplate a transition period between the passage of the Authorizing Legislation and its full implementation; and

WHEREAS, the CEO currently serves as the Secretary of the Department of Commerce ("Commerce"); and

WHEREAS, the CEO and other agents and employees of Commerce took certain actions in order to fulfill the intent and objectives of the Authorizing Legislation on or before the date hereof; and

WHEREAS, funds will be needed to fulfill the intent and objectives of the Authorizing Statutes after the date hereof.

RESOLVED, any and all actions taken by the CEO, agents, and/or employees of Commerce that fulfill the intent and objectives of the Authorizing Legislation are hereby ratified, approved, and confirmed in all respects.

RESOLVED, the CEO is authorized to expend no more than \$2 million to pay for all reasonable and necessary transition expenses, required (as determined by the CEO, in his sole discretion, such discretion to be conclusively evidenced by the CEO's payment of transitional expenses) to fulfill the intent and objectives of the Authorizing Legislation.

RESOLVED, the CEO is authorized to hire employees and agents of the Corporation who are required (as determined by the CEO, in his sole discretion, such discretion to be conclusively evidenced by the CEO's offer of employment or agency relationship to the individual(s)) to fulfill the intent and objectives of the Authorizing Legislation.

### Appointments

WHEREAS, Article III, Section 14(b) of the Bylaws provides that the Chairperson of the Corporation shall nominate three Directors who are not directly employed by a governmental agency or authority to serve on the Compensation and Benefits Committee, with such duties, responsibilities, and authorizations as set forth in the Bylaws; and

WHEREAS, the Chairperson has nominated the following three Directors to serve on the Compensation and Benefits Committee:

\_\_\_\_ Lisa Mauer \_\_\_\_\_

\_\_\_\_ Tom Sylke \_\_\_\_\_

\_\_\_\_ Don Weber \_\_\_\_\_; and



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Dan Ariens

A horizontal timeline from 2000 to 2010. The timeline is marked with years: 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010. Above the timeline, there are labels for 'Baseline' (at 2000), '2001' (at 2001), '2002' (at 2002), '2003' (at 2003), '2004' (at 2004), '2005' (at 2005), '2006' (at 2006), '2007' (at 2007), '2008' (at 2008), '2009' (at 2009), and '2010' (at 2010). Below the timeline, there are labels for 'Baseline' (at 2000), '2001' (at 2001), '2002' (at 2002), '2003' (at 2003), '2004' (at 2004), '2005' (at 2005), '2006' (at 2006), '2007' (at 2007), '2008' (at 2008), '2009' (at 2009), and '2010' (at 2010). The timeline is divided into segments by vertical lines. The segments are labeled: 'Baseline' (2000-2001), '2001' (2001-2002), '2002' (2002-2003), '2003' (2003-2004), '2004' (2004-2005), '2005' (2005-2006), '2006' (2006-2007), '2007' (2007-2008), '2008' (2008-2009), '2009' (2009-2010), and '2010' (2010-2011).

\_\_\_\_ Scott Klug \_\_\_\_\_

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**Exhibit A**

**Bylaws**

# **WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

## **BYLAWS**

### **ARTICLE I**

#### **Purposes of the Corporation**

The purposes of Wisconsin Economic Development Corporation, a public body politic and corporate (the "Corporation"), shall be as set forth in Chapter 238 of the Wisconsin Statutes (the "Authorizing Statute"). These Bylaws specify various matters affecting the operations and governance of the Corporation.

### **ARTICLE II**

#### **Members**

The Corporation shall have no members but shall be managed by its Board of Directors as set forth in Article III of these Bylaws and the Authorizing Statute.

### **ARTICLE III**

#### **Directors**

Section 1. Powers. Subject to the limitations of the Authorizing Statute and these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors.

Section 2. Number, Qualification & Term.

(a) The number of Directors of the Corporation shall be fifteen, thirteen of which shall be voting and two of which shall be nonvoting.

(b) The Governor of the State of Wisconsin (the "Governor") shall nominate, and with the advice and consent of the Wisconsin Senate (the "Senate"), appoint six Directors of the Corporation (each a "Governor Appointed Director" and collectively, the "Governor Appointed Directors"). The Governor Appointed Directors shall serve at the pleasure of the Governor or until such Governor Appointed Director's death or resignation.

(c) The Governor shall serve as a Director of the Corporation, commencing on the date on which the Governor takes the oath of office as Governor and terminating on the date on which the succeeding Governor takes the oath of office as Governor, at which point the succeeding Governor shall become a Director of the Corporation.

(d) The Speaker of the Wisconsin Assembly (the "Assembly") shall appoint three Directors of the Corporation (each a "Speaker Appointed Director" and collectively, the "Speaker Appointed Directors"). The Speaker Appointed Directors shall consist of: one Representative to the Assembly from the Speaker's party; one Representative to the Assembly from the minority party (or, if there is more than one minority party, then from the largest party other than the Speaker's party); and one person who is not directly employed by a governmental agency or authority. Each of the Representatives who shall serve as Speaker Appointed Directors shall be chosen in the same manner in which Representatives of the Assembly are

appointed to standing committees in the Assembly. The Speaker Appointed Directors shall serve at the pleasure of the Speaker of the Assembly or until such Speaker Appointed Director's death or resignation, except that the Speaker Appointed Director who is a Representative in the minority party in the Assembly shall serve at the pleasure of the Minority Leader of the Assembly or until such Director's death or resignation.

(e) The Majority Leader of the Senate shall appoint three Directors of the Corporation (each a "Majority Leader Appointed Director" and collectively, the "Majority Leader Appointed Directors"). The Majority Leader Appointed Directors shall consist of: one Wisconsin state Senator from the Majority Leader's party; one Wisconsin state Senator from the minority party (or, if there is more than one minority party, then from the largest party other than the Majority Leader's party); and one person who is not directly employed by a governmental agency or authority. Each of the Wisconsin state Senators who serve as Directors shall be chosen in the same manner in which Wisconsin state Senators are appointed to standing committees in the Senate. The Majority Leader Appointed Directors shall serve at the pleasure of the Majority Leader of the Senate or until such Majority Leader Appointed Director's death or resignation, except that the Majority Leader Appointed Director who is a Senator in the minority party in the Senate shall serve at the pleasure of the Minority Leader of the Senate or until such Director's death or resignation.

(f) The Secretary of Administration for the State of Wisconsin and the Secretary of Revenue for the State of Wisconsin shall each serve as nonvoting Directors of the Corporation, commencing on the date of each Secretary's term and terminating when each Director no longer serves as a Secretary of the departments set forth herein, at which time the succeeding Secretary shall become a non-voting Director.

Section 3. Resignation. A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary of the Corporation, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. This section shall not apply to the Governor, the Secretary of Administration, or the Secretary of Revenue, who may not resign from the Corporation so long as he or she holds the office giving rise to his or her position as a Director of the Corporation. In the event one of the public officials who serves as a Director by virtue of holding such office (i.e., Governor, Representative, Senator, Secretary of Administration, or Secretary of Revenue) ceases to serve in the public office that gave rise to his or her appointment as a Director of the Corporation, such public official shall be deemed to tender his or her resignation when he or she is no longer serving in the public office that gave rise to his or her appointment. For example, if a Speaker Appointed Director who is a Representative ceases to be a Representative, that Speaker Appointed Director shall be deemed to have resigned.

Section 4. Removal. Any Governor Appointed Director may be removed from office at any time, with or without cause, by the Governor. Any Speaker Appointed Director may be removed from office, at any time, with or without cause, by the Speaker. Any Majority Leader Appointed Director may be removed from office at any time, with or without cause, by the Majority Leader.

Section 5. Vacancies. A vacancy or vacancies in the Board of Directors occurring for any reason may be filled by the individual who has the authority to appoint a Director to the vacated seat, under the same terms and provisions as set forth in this ARTICLE III. Each Director so appointed shall hold office until such Director's successor is elected and qualified, or until such Director's death, resignation or removal.

Section 6. Meetings.

(a) Annual Meeting. A regular meeting of the Board of Directors, designated as the annual meeting, shall be held each year at such time and place as may be designated by the Chairperson of the Corporation, or by any Vice Chairperson if the Chairperson is unable to act, for the election of officers and the transaction of such other business as may properly come before the meeting. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year, the meeting, upon waiver of notice or upon due notice, may be held at a later date.

(b) Other Regular Meetings. Other regular meetings of the Board of Directors of the Corporation may be held at such regularly recurring time and place as the Board of Directors may designate.

(c) Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be held whenever called by the CEO of the Corporation (as defined below), by a majority of the Directors, or by the Chairperson of the Corporation or if the Chairperson is absent or is unable or refuses to act, by any Vice Chairperson.

(d) Open Meetings. All meetings of the Board of Directors shall be held in compliance with Wisconsin's Open Meetings Law, Wis. Stats. §§ 19.81-98.

Section 7. Notices. Except as otherwise provided in these Bylaws, notice of any meeting of the Board of Directors, in each case specifying the place, date and hour of the meeting, shall be given to each Director by written notice delivered in person, by electronic mail, or by mail or private carrier, not more than sixty days prior to the date of the meeting, but at least twenty-four hours before the time set for such meeting or, if notification is by mail, by mailing such notice at least five days before the day set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Director at the Director's address as it appears on the records of the Corporation. Except as otherwise provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such notice of such meeting.

Section 8. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, a written waiver of notice of the meeting, containing the same information as would have been required to be included in a proper notice of the meeting, is signed by (a) each Director not present at the meeting and (b) each Director present at the meeting who objected to the transaction of any business because the meeting was not lawfully called or convened. All

such waivers shall be filed with and made a part of the minutes of the meeting. Notwithstanding anything contained in this Section, no Director or Directors have the authority to waive any requirements pursuant to Wisconsin's open meetings law.

Section 9. Quorum; Action of Directors. A majority of the number of voting Directors appointed to and serving as Directors of the Corporation pursuant to these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act or decision of the Board of Directors, unless the act of a greater proportion is required by law, the Authorizing Statute or these Bylaws. The voting on all questions at a meeting shall be by voice vote, unless a Director requests a roll call vote, in which case each Director's vote shall be reflected in the meeting minutes.

Section 10. Adjournment. Any meeting of the Board of Directors, whether regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

Section 11. Organization. The Chairperson of the Corporation, or in the absence of the Chairperson, the Vice-Chairperson, shall act as chair at every meeting of the Board of Directors. The Secretary of the Corporation, or in the absence of the Secretary, any person appointed by the chairperson of the meeting, shall act as Secretary of the meeting.

Section 12. Methods of Conducting Meetings. Directors may participate in any regular or special meeting or in any meeting of a committee of Directors by any means of communication by which either (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is conducted through the use of one of the foregoing means, all participating Directors must be informed that a meeting is taking place at which official business may be transacted. A Director participating in such a meeting is deemed to be present in person at the meeting. If requested by any Director, minutes of the meeting shall be prepared and distributed to each Director.

Section 13. Compensation. The Directors shall not receive compensation for their service on the Board of Directors; provided, however, that Directors of the Corporation shall be entitled to reimbursement of necessary expenses, including travel expenses.

Section 14. Committees.

(a) Standing or Temporary Advisory Committees Without Board Authority. The Board of Directors or the Chairperson may authorize, and appoint or remove committee members of (whether or not the committee member is a Director), standing and/or temporary committees to consider appropriate matters, make reports to the Chairperson and/or Board of Directors, and fulfill such other advisory functions as may be designated. The designation of such standing and/or temporary committees, and the committee members thereof, shall be recorded in the minutes of the Board of Directors.



(b) Compensation and Benefits Committee. The Chairperson shall nominate, and with the approval the Board of Directors designate, a Compensation and Benefits Committee, consisting of three Directors who are not directly employed by a governmental agency or authority. The Compensation and Benefits Committee shall determine all elements of the CEO's compensation package, including salary, bonus (if any), and benefits. Additionally, the Compensation and Benefits Committee shall advise the Board of Directors on benefits for all employees of the Corporation; provided, however, that the Compensation and Benefits Committee shall not have any authorization to act without Board of Directors' approval and/or delegation of authority, other than with respect to the CEO's benefits (as set forth above).

(c) Audit Committee. The Chairperson shall nominate, and with the approval the Board of Directors designate, an Audit Committee, consisting of three Directors, including at least one Director who is not an elected official. The Audit Committee shall advise the Board of Directors on compliance with any audit requirements as set forth in the Authorizing Statute, by the Board of Directors, or in other laws.

## ARTICLE IV

### Officers

Section 1. Officers. The Corporation shall have a CEO, a Chairperson, one or more Vice Chairpersons, a Secretary, a Treasurer and such other officers or assistant officers as the Directors may from time to time elect. Any two or more of said offices may be held by the same person, except that (a) no person may serve as CEO and any one of the other offices; (b) the offices of Chairperson and Secretary may not be held by the same person; and (c) the offices of Chairperson and Vice Chairperson may not be held by the same person.

Section 2. Election. Other than the offices of Chairperson and of CEO, the officers of the Corporation shall be chosen annually by the Board of Directors at its annual meeting, and each officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal as either an officer or as a Director. Election or appointment as an officer shall not of itself create contract rights.

Section 3. Resignation. Any officer, other than the Chairperson, may resign at any time by giving written notice to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary or the Board of Directors as the case may be, and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. If an officer resigns as a Director of the Corporation, it shall be deemed a resignation as an officer as well.

Section 4. Removal. Any officer other than the Chairperson and the CEO, may be removed from office by the action of the Board of Directors, whenever in its judgment the best interests of the Corporation will be served thereby, without prejudice to the contract rights, if any, of the officer so removed.

Section 5. Vacancies. A vacancy occurring in any office other than the offices of Chairperson and of CEO, for any reason, may be filled for the unexpired portion of the

term of said office by the Board of Directors. A vacancy in the office of Chairperson shall be filled automatically when a new Governor takes office. A vacancy in the office of CEO shall be filled in accordance with this ARTICLE IV by appointment of the Governor.

Section 6. Chairperson. The Governor shall serve as the Chairperson. The Chairperson shall have such duties, responsibilities and powers as may be necessary to carry out the directions and policies of the Board of Directors or as are prescribed in these Bylaws or otherwise delegated by the Board of Directors and shall at all times be subject to the policies, control and direction of the Board of Directors. The Chairperson shall preside at all meetings of the Corporation. The Chairperson shall have authority, subject to the rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document consistent with the foregoing general delegation of authority or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. Notwithstanding the foregoing, neither the Chairperson nor any other officer other than the CEO may sign any deed or instrument of conveyance or endorse any security or execute any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness without the specific authority of the Board of Directors pursuant to ARTICLE V below of these Bylaws dealing with such matters. The Chairperson shall, whenever it may in the Chairperson's opinion be necessary, prescribe the duties of other officers and employees of the Corporation, in a manner not inconsistent with the provisions of these Bylaws and the directions of the Board of Directors.

Section 7. Vice Chairpersons. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. If at any such time the Corporation has more than one Vice Chairperson, the duties and powers of the Chairperson shall pass to the Vice Chairpersons in order of their rank as fixed by the Board of Directors, or if they are not so ranked, to the Vice Chairperson designated by the Board of Directors. The Vice Chairpersons shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors, or these Bylaws.

Section 8. Secretary. The Secretary shall perform, or have performed under the Secretary's direction, the following functions:

(a) Certify and keep at the principal office of the Corporation a copy of the Authorizing Statute and an original or copy of these Bylaws, as amended or otherwise altered to date.

(b) Keep at the principal office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings of the Board of Directors and committees thereof, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, and the names of those present at the meetings.

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(d) Be custodian of the records and of the seal of the Corporation, if any, and see that it is engraved, lithographed, printed, stamped, impressed upon, or affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

(e) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.

(f) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall perform, or have performed under the Treasurer's direction, the following functions:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

(c) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.

(d) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

Section 10. Chief Executive Officer.

(a) Appointment Process. The Governor shall nominate, and with the advice and consent of the Senate appoint, the Chief Executive Officer of the Corporation (the "CEO"), to serve at the pleasure of the Governor. For avoidance of doubt, when a new Governor takes office, the CEO shall remain as CEO of the Corporation unless and until the CEO is removed. The CEO may resign at any time by filing his or her written resignation with the Secretary of the Corporation. If the office of CEO is vacant, the Governor may make a provisional appointment of the CEO, at which point the provisionally-appointed CEO may exercise all powers and duties of the CEO as otherwise assigned by these Bylaws, the Authorizing Statute, or the Board of Directors. Notwithstanding the foregoing, the provisional appointment shall lapse if the appointment is withdrawn by the Governor or if the Senate rejects the appointment.

(b) Authority of CEO.

(1) *General Authority.* The Board of Directors may delegate to the CEO any powers and duties the Board of Directors deems necessary, appropriate, or proper.

(2) *Execution of Documents for Administration of the Corporation.* The CEO shall have authority (or delegate authority), subject to rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document the CEO deems necessary, appropriate, or proper in the day-to-day management of the Corporation, or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. For the avoidance of doubt, this subsection conveys to the CEO the authority to execute documents, contracts, and other instruments required for the day-to-day operation of the Corporation, including all day-to-day purchases by the CEO (or his or her delegate) that are deemed necessary or appropriate for the efficient functioning of the Corporation. The CEO may execute, or may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (other than bonds) without the specific authority of the Board of Directors, provided that such checks, draft, or indebtedness is in furtherance of the operation of the Corporation or is otherwise authorized by the Authorizing Statute. Nothing in this subsection, or anywhere else in these Bylaws, shall be deemed to convey to the CEO the authority to incur debt on behalf of the Corporation unless such debt is specifically set forth in a budget approved by the Board of Directors or is otherwise in the ordinary course of business.

(3) *Execution of Documents Related to Economic Development Programs.* In furtherance of the Corporation's mission to foster economic development (as defined in Wis. Stat. § 238.01(3)) within the State of Wisconsin, the CEO may execute (or delegate authority to execute) contracts or other documents related to the Corporation's economic development programming, including loans, grants, and/or tax credits. The CEO shall provide reports to the Board of Directors conveying the amount of any loans, grants, and/or tax credits, broken down by organization or entity to which those funds are allocated. The Board of Directors must approve the designation of an enterprise zone (as designated by the Corporation from time to time) and the amount and type of tax credits allocated to such enterprise zone.

(4) *Acceptance of Gifts from Private Sources.* Only the CEO may accept gifts, contributions, donations, and bequests from private sources (collectively "gifts") for the benefit of the Corporation. However, the CEO's authority under this subsection is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family)

owns or controls at least 10% of the outstanding equity, voting rights, or indebtedness.

(5) *Acceptance of Grants, and Gifts from Public Sources.* Only the CEO may accept grants from public and private sources, and gifts, contributions, donations, and bequests from public sources (collectively "gifts") for the benefit of the Corporation.

(6) *Budget.* The CEO may establish (or delegate the establishment of) the Corporation's budget, and may monitor (or delegate the monitoring of) the Corporation's fiscal management.

(7) *Employment Matters.* The CEO may (or may delegate authority to), from time to time, employ any officers, agents, and/or employees that the CEO deems necessary or appropriate to fulfill the Corporation's needs, and the CEO may determine those officers', agents', and/or employees' qualifications, duties, compensation, and benefits (subject to the decisions made by the Board of Directors as recommended by Compensation and Benefits Committee). The CEO may also establish and enforce the Corporation's personnel and human resources policies and procedures.

(8) *Bonding Authority.* The CEO may, from time to time, issue (or delegate the authority to issue) bonds on behalf of the Corporation but only after obtaining the approval by the Board of Directors.

(9) *Procuring Insurance.* The CEO may procure (or delegate authority to procure) any insurance the CEO deems necessary, appropriate, or proper for management of the Corporation.

Section 11. Compensation. The salary of the CEO shall be fixed from time to time by the Board of Directors or a duly authorized committee thereof. Salaries of other principal officers and personnel shall be fixed from time to time by the CEO or by a duly authorized committee of the Board of Directors and shall be consistent with policies determined by the Board of Directors.

## **ARTICLE V**

### **Instruments; Bank Accounts; Checks and Drafts; Loans; Securities**

Section 1. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other requirements as set forth herein or in Board resolutions, the CEO may execute or delegate the execution, of all contracts and other instruments required for the operation of the Corporation, together with any documents necessary to issue bonds, notes, to incur other debt

obligations or to provide grants (if so approved by the Board either specifically or generally) and, when necessary, shall ensure that the Corporation's seal is affixed to any such document.

Section 2. Bank Accounts. The Board of Directors or the CEO from time to time may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositories as may be selected by the Board or by any officer or officers, agent or agents of the Corporation.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or as otherwise set forth in these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories may be made without counter-signature by the CEO, Chairperson or any Vice Chairperson or the Treasurer, or by any other officer or agent of the Corporation.

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors or as otherwise provided pursuant to ARTICLE IV. Such authority may be general or confined to specific instances.

Section 5. Facsimile Signatures and Seal. The seal of the Corporation on any document referenced in this ARTICLE V may be a facsimile. The signatures of the Chairperson, Vice Chairperson, and CEO may be facsimiles.

Section 6. Signatures by Former Officers. In case any officer, who has signed or whose facsimile signature has been placed upon any document referenced in this ARTICLE V, shall have ceased to be such officer before such evidence is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue.

## **ARTICLE VI**

### **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Corporation shall Commence on the first day of July in each year and close on the next succeeding June 30.

Section 2. Corporate Seal. The seal of the Corporation shall contain the name of the Corporation and the word "Wisconsin."

Section 3. Resolutions as Severable, Superseding, and Authorizing. Unless otherwise expressly provided, if any one or more of the provisions of any resolution of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed and construed to be severable from the remaining provisions therein contained and shall in no way affect the validity of the other provisions of such resolution. Unless otherwise expressly provided, each resolution of the Corporation shall be deemed to rescind and repeal all prior resolutions, rules or other actions, or part thereof, of the



Corporation in conflict with such subsequent resolution insofar (and only insofar) as such conflict exists. This provision shall not apply to conflicts between resolutions and the Bylaws of the Corporation, as such conflicts shall be resolved in accordance with ARTICLE VIII's provisions on conflict. The officers of the Corporation, attorneys, agents or employees of the Corporation shall be automatically authorized to do all acts and things required of them by any resolution of the Corporation for the full, punctual and complete performance of all of the provisions of such resolution.

## **ARTICLE VII**

### **Indemnification**

Section 1. Indemnification for Successful Defense. The Corporation shall indemnify a Director, officer or employee to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director, officer or employee was a party because he or she is a Director, officer or employee of the Corporation.

Section 2. Other Indemnification. In cases not included under ARTICLE VII, Section 1, the Corporation shall indemnify a Director or officer against liability incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

- (a) A willful failure to deal fairly with the Corporation in connection with a matter in which the Member or officer has a material conflict of interest;
- (b) A violation of the criminal law, unless the Director or officer has reasonable cause to believe that his or her conduct was lawful or has no reasonable cause to believe that his or her conduct was unlawful;
- (c) A transaction from which the Director or officer derived an improper personal profit; or
- (d) Willful misconduct, including a violation of the ethics laws as set forth in Wis. Stat. Chapter 19 (as amended and modified from time to time) to which Directors are subject.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

Section 3. Allowance of Expenses. Within 10 days after receipt of a written request by a Director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

- (a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance (together with reasonable interest thereon) to the extent that it is ultimately determined under ARTICLE VII, Sections 1 and 2 that indemnification is not required. The undertaking under this Section shall be an unlimited general obligation of the Director or officer, and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured as determined by the Board of Directors.

Section 4. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the Director or officer and the Corporation, a decision on whether the Director or officer seeking indemnification under this ARTICLE VII shall be indemnified will be determined by one of the following means for establishing his or her right to indemnification:

(a) By a majority vote of a quorum of the Directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, then the disinterested Directors shall select by majority vote from among subsections (b) and (c), below.

(b) By independent legal counsel selected by a majority vote of a quorum of the Directors at the time parties to the same or related proceedings or, if (and only if) unable to obtain such a quorum, by a majority vote of all of the Directors, including Directors who are parties to the same or related proceedings.

(c) By a panel of three arbitrators consisting of one arbitrator selected by those Directors entitled under the previous subsection to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

Section 5. Other Rights. The indemnification provided by this ARTICLE VII shall not be deemed exclusive of any other indemnity which the Directors, or the Corporation, may lawfully grant or any other rights to which any officer, Director, employee or agent may be entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would be obligated to indemnify him or her against such liability under the provisions of this ARTICLE VII. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

## **ARTICLE VIII**

### **Amendment**

These Bylaws may be amended or amended and restated by the Board of Directors. The amendment must be approved by a two-thirds majority of the Directors present at a duly authorized meeting that fulfills the quorum requirements set forth herein. To the extent

any action by the Board of Directors is inconsistent with these Bylaws, as in effect at the time of the action, but the action is taken by at least the number of Directors that would be necessary to amend the Bylaws, then such action shall be given the same effect as though the Bylaws had been temporarily amended to the extent necessary to permit the specific action to be authorized and taken by the Board of Directors.

**Exhibit B**

**Policy on Chief Executive Officer's Report to the Board of Directors at the Annual Meeting**

**Wisconsin Economic Development Corporation**

**Policy on Chief Executive Officer's Report  
to the Board of Directors at the Annual Meeting**

Pursuant to Article III, Section 6(a) of the Bylaws of the Wisconsin Economic Development Corporation, a public body corporate and politic (the "Corporation"), the Corporation must have an annual meeting, which shall be in June or within 30 days of the start of the fiscal year.

It is the policy of the Corporation that the Chief Executive Officer shall present to the Board of Directors at each annual meeting the following:

- A progress report on the year-to-date expenses and revenues for the fiscal year in which the annual meeting occurs;
- A proposed budget for the following fiscal year, highlighting any major changes from the previous fiscal year;
- A progress report based on the Corporation's then-current strategic and operational plans, together with any suggested changes to the strategic or operational plan.

**Exhibit C**  
**Bank Resolutions**





## Master Services Agreement (Governmental Entities)

Customer Tax ID Number: 45-1832104

I, Paul F. Jadin, HEREBY CERTIFY that I am CEO  
of Wisconsin Economic Development ("Customer"). I further certify that I have full power and lawful authority  
to execute this Master Services Agreement ("MSA") on behalf of Customer. I further certify that Customer has taken all action  
required by its resolutions and other organizational documents, records or agreements to authorize the individuals listed  
below to act on behalf of Customer in all transactions contemplated under this MSA. Customer hereby agrees as follows:

### DEPOSIT ACCOUNTS:

1. U.S. Bank National Association ("Bank") is hereby designated as Customer's banking depository. Customer  
has received a copy of the deposit account terms and conditions and agrees that such terms shall govern the deposit account  
services provided by Bank. All transactions between Customer and Bank involving any of Customer's accounts at Bank will be  
governed by the deposit terms and conditions, this MSA and other disclosures provided to Customer. Customer agrees to  
provide Bank with a copy of documents requested by Bank.

2. Any one (1) of the persons whose names and signatures appear in Appendix A (individually, an "Account  
Signer") are hereby authorized to open, add, modify, or close accounts in the name of Customer or its subsidiaries or affiliates,  
or if applicable, as an agent for another entity, and to sign, on behalf of Customer, its subsidiaries or affiliates or as an agent  
for another entity, checks, drafts or other orders for the payment, transfer or withdrawal of any of the funds or other property of  
Customer, whether signed, manually or by use of a facsimile or mechanical signature or otherwise authorized, including those  
payable to the Bank or to any other person for application, or which are actually applied to the payment of any indebtedness  
owing to the Bank from the person or persons who signed such checks, drafts or other withdrawal orders or otherwise  
authorized such withdrawals; and are also authorized to endorse for deposit, payment or collection any check, bill, draft or  
other instrument made, drawn or endorsed to the accounts governed by this MSA for deposit into these accounts. The  
authorization contained in the preceding sentence includes transfers of funds or other property of Customer to accounts  
outside of those accounts Customer maintains at Bank. Any one of the Contract Signers (as defined below) is also authorized  
to execute any documentation that Bank may require to add or delete Account Signers.

3. Unless Customer otherwise advises Bank in writing and Bank has a reasonable opportunity to act on such  
writing, the Account Signers listed in Appendix A will be Account Signers on any future deposit accounts that Customer  
maintains with Bank.

4. Customer acknowledges and agrees that Bank is not required to obtain the consent of or otherwise contact  
an Account Signer for transactions other than those listed in paragraph 2 above, including, but not limited to, transfers  
between accounts Customer maintains at Bank, advances on loans Customer has with Bank and transfers to pay down loans  
Customer has with Bank.

### OTHER SERVICES:

5. A Contract Signer is authorized and empowered on behalf of Customer to transact any and all other  
depository and investment business with and through the Bank, including, without limitation, the Bank's Money Center division,  
which such person may at any time deem to be advisable, including, without limiting the generality of the foregoing, authority  
to purchase certificates of deposit, government securities, commercial paper, stocks, bonds or other forms of investments that  
may be sold by the Bank, and to enter into safe deposit agreements and investment account agreements offered by Bank,  
and, in reference to any such business, to make any and all agreements and to execute and deliver to Bank any and all  
contracts and other writings which such person may deem to be necessary or desirable.

### TREASURY MANAGEMENT SERVICES:

6. Bank's treasury management services ("Treasury Management Service(s)") are described in the U.S. Bank  
Services Terms and Conditions, any supplements thereto, any implementation documents, user manuals, operating guides  
and other related documentation and disclosures provided by Bank, and any addendum to any of the foregoing (collectively  
the "Services Agreement"). Customer has received and reviewed the Services Agreement and desires to use one or more of  
the Treasury Management Services.

7. Any one (1) of the persons whose names and signatures appear in Appendix B (individually, a "Treasury  
Management Signer") are empowered in the name of and on behalf of the Customer to enter into all transactions  
contemplated in the Services Agreement including, but not limited to, selecting Treasury Management Services, appointing  
agents to act on behalf of Customer in the delivery of Treasury Management Services, signing additional documentation  
necessary to implement the Treasury Management Services and giving Bank instructions with regard to any Treasury  
Management Service, including without limitation, wire transfers, ACH transfers, and any other electronic or paper transfers  
from or to any account Customer may maintain with Bank. Bank may, at its discretion, require Customer to execute additional



## Master Services Agreement (Governmental Entities)

documentation to implement or amend certain Treasury Management Services. In such cases, documentation necessary to implement or amend such Services shall be signed by a Treasury Management Signer. Customer further acknowledges and agrees that Bank may implement or amend Services based on the verbal, written, facsimile, voice mail, email or other electronically communicated instructions that it believes in good faith to have been received from a Treasury Management Signer. Any one of the Contract Signers (as defined below) is also authorized to execute any documentation that Bank may require to add or delete Treasury Management Signers.

### FOREIGN EXCHANGE:

8. Bank is authorized by Customer to enter into foreign exchange transactions. Customer has received a copy of the Services Agreement and agrees that the terms contained in the Services Agreement, this MSA and other disclosures provided to Customer shall govern the foreign exchange services provided by Bank. Customer agrees to provide Bank with a copy of documents requested by Bank.

### FOREIGN CURRENCY ACCOUNTS:

9. Bank is hereby designated as Customer's banking depository for one or more Foreign Currency Account(s) (the "Foreign Account(s)"). Any one (1) of the persons whose names and signatures appear in Appendix C (individually, a "Foreign Currency Account Signer") are hereby authorized to open, add, modify, or close any Foreign Account(s) in the name of Customer or its subsidiaries or affiliates and to make, on behalf of Customer, orders for payment or transfer of any of the funds or other property of Customer, whether signed, manually or by use of a facsimile or mechanical signature or otherwise authorized, including those payable to the individual order of the person or persons signing or otherwise authorizing the same. Customer hereby expressly authorizes and directs Bank to accept written and oral instructions any payment orders, by telephone or otherwise, consistent with the Services Agreement. Customer has received a copy of the Services Agreement and agrees that the terms contained in the Services Agreement, this MSA and other disclosures provided to Customer shall govern the Foreign Accounts.

### GENERAL:

10. All Account Signers, Treasury Management Signers and Foreign Currency Account Signers (whether designated in this MSA or in a prior document (for example, a Certificate of Authority or a Treasury Management Services Agreement) executed by Customer) will remain in place until Bank receives written notice of any change and has a reasonable time to act upon Customer's written notice.

11. Any and all transactions by or in behalf of Customer with the Bank prior to the adoption of this MSA (whether involving deposits, withdrawals, Treasury Management Services, or otherwise) are in all respects ratified, approved and confirmed.

12. Customer agrees to furnish Bank with the names and signatures (either actual or any form or forms of facsimile or mechanical signatures adopted by the person authorized to sign) of the persons who presently are Account Signers, Treasury Management Signers and/or Foreign Currency Account Signers. Bank shall be indemnified and saved harmless by Customer from any claims, demands, expenses, loss or damage resulting from or growing out of honoring or relying on the signature or other authority (whether or not properly used and, in the case of any facsimile signature, regardless of when or by whom or by what means such signature may have been made or affixed) of any officer or person whose name and signature was so certified, or refusing to honor any signature or authority not so certified.

Each of the undersigned (individually and collectively, the "Contract Signers") certifies that, based on his or her review of Customer's books and records, Customer has, and at the time of adoption of this MSA had, full power and lawful authority to adopt the MSA and to confer the powers herein granted to the persons named, and that such persons have full power and authority to exercise the same.

Each of the Contract Signers further certifies that he or she has the full power and lawful authority to execute this MSA on behalf of Customer, its subsidiaries and affiliates, or if applicable, as an agent for another entity who has entered into an agreement with Customer authorizing Customer to act on such entity's behalf.

Each of the Contract Signers further certifies that the Account Signers, Treasury Management Signers and/or Foreign Currency Account Signers have been duly elected to and now hold the offices of Customer set opposite their respective names, and the signatures appearing opposite their names are the authentic, official signatures of the said signer.



## Master Services Agreement (Governmental Entities)

The undersigned Contract Signers have executed this MSA as of the 1st day of June, 20 11.

Contract Signer  
Signature:

Print Name: Paul F. Jadin

Print Title: CEO

Contract Signer  
Signature:

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Contract Signer  
Signature:

Print Name: Eric R. Schroeder

Print Title: CFO

Contract Signer  
Signature:

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Contract Signer  
Signature:

Print Name: Michael Klonsinski

Print Title: COO

Contract Signer  
Signature:

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Contract Signer  
Signature:

Print Name: Hannah L. Renfro

Print Title: Chief Legal Counsel

Contract Signer  
Signature:

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

For Internal Use Only:

Review \_\_\_\_\_

Validation Method \_\_\_\_\_

TL Review \_\_\_\_\_

Imaged \_\_\_\_\_




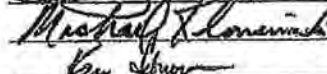
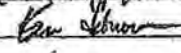
## Appendix A Account Signers

Customer Information			
Customer Name:	WISCONSIN ECONOMIC DEVELOPMENT CORPORATION	Tax Identification Number:	45-1832104

Account Information			
	Account Name	Account Number	Tax Identification Number
	WEDC		45-1832104

Authorized Account Signers		
Name	Title	Specimen Signature
Paul F. Jadin	CEO	
Michael Klonitski	COO	
Eric Schroeder	CFO	

The Contract Signer listed below further represents and warrants to the Bank that the signatures listed above are the true and authentic signatures of the Authorized Account Signer(s) and that Customer has taken all action required by its organizational documents to appoint the Authorized Account Signer(s).

### REQUEST FOR FEDERAL TAXPAYER IDENTIFICATION NUMBER

UNDER PENALTIES OF PERJURY I CERTIFY THAT:

A. THE NUMBER(S) SHOWN ABOVE IS/ARE THE CORRECT TAXPAYER IDENTIFICATION NUMBER(S) FOR THE CORRESPONDING TAXPAYER.

B. I AM NOT SUBJECT TO BACKUP WITHHOLDING AS A RESULT OF FAILURE TO REPORT ALL INTEREST OR DIVIDENDS SINCE I HAVE NOT BEEN NOTIFIED I AM SUBJECT TO OR HAVE BEEN NOTIFIED I AM NO LONGER SUBJECT TO BACKUP WITHHOLDING BY THE INTERNAL REVENUE SERVICE. (IF YOU CANNOT CERTIFY THIS, CROSS OUT STATEMENT B.)

C. I AM A U.S. PERSON (AS DEFINED IN THE IRS FORM W-9 INSTRUCTIONS, WHICH INSTRUCTIONS WILL BE PROVIDED BY BANK UPON REQUEST).

D. I AM AN EXEMPT CUSTOMER AS LISTED IN THE IRS FORM W-9 INSTRUCTIONS - CHECK BOX ☐  
THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISIONS OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

Contract Signer Signature: 

Print Title: CEO

Print Name: Paul F. Jadin

Date: 6/9/11

For Internal Use Only:

Authorized Signers are related to the Master Services Agreement dated: \_\_\_\_\_

Review \_\_\_\_\_

Validation Method \_\_\_\_\_

TL Review \_\_\_\_\_

Imaged \_\_\_\_\_

Rev.3/29/2011

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Appendix A  
Version: 1/11



## Appendix A Account Signers


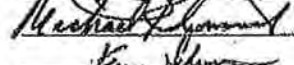
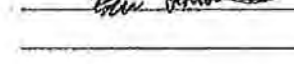
### Customer Information

Customer Name: WISCONSIN ECONOMIC DEVELOPMENT CORPORATION Tax Identification Number: 45-1832104

### Account Information

Account Name	Account Number	Tax Identification Number
<u>WEDC - PAYROLL ACCOUNT</u>		<u>45-1832104</u>

### Authorized Account Signers

Name	Title	Specimen Signature
<u>Paul F. Jadin</u>	<u>CEO</u>	
<u>Michael Klohsinski</u>	<u>COO</u>	
<u>Eric Schroeder</u>	<u>CFO</u>	

The Contract Signer listed below further represents and warrants to the Bank that the signatures listed above are the true and authentic signatures of the Authorized Account Signer(s) and that Customer has taken all action required by its organizational documents to appoint the Authorized Account Signer(s).

#### REQUEST FOR FEDERAL TAXPAYER IDENTIFICATION NUMBER

UNDER PENALTIES OF PERJURY I CERTIFY THAT:

A. THE NUMBER(S) SHOWN ABOVE IS/ARE THE CORRECT TAXPAYER IDENTIFICATION NUMBER(S) FOR THE CORRESPONDING TAXPAYER.

B. I AM NOT SUBJECT TO BACKUP WITHHOLDING AS A RESULT OF FAILURE TO REPORT ALL INTEREST OR DIVIDENDS SINCE I HAVE NOT BEEN NOTIFIED I AM SUBJECT TO OR HAVE BEEN NOTIFIED I AM NO LONGER SUBJECT TO BACKUP WITHHOLDING BY THE INTERNAL REVENUE SERVICE. (IF YOU CANNOT CERTIFY THIS, CROSS OUT STATEMENT B.)

C. I AM A U.S. PERSON (AS DEFINED IN THE IRS FORM W-9 INSTRUCTIONS, WHICH INSTRUCTIONS WILL BE PROVIDED BY BANK UPON REQUEST).

D. I AM AN EXEMPT CUSTOMER AS LISTED IN THE IRS FORM W-9 INSTRUCTIONS - CHECK BOX ☐

THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISIONS OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

Contract Signer Signature:   
Print Name: Paul F. Jadin

Print Title: CEO  
Date: 6/9/11

For Internal Use Only:

Authorized Signers are related to the Master Services Agreement dated: \_\_\_\_\_

Review \_\_\_\_\_ Validation Method \_\_\_\_\_ TL Review \_\_\_\_\_ Imaged \_\_\_\_\_

Rev.3/29/2011

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Appendix A  
Version: 1/11



## Appendix B

### Treasury Management Signers

### Customer Information

**Customer Name:** Wisconsin Economic Development Corporation

**Tax IdNumber:** 45-1832104

## Company Information

### Companies Covered

Wisconsin Economic Development Corporation

**Tax Identification Number**

45-1832104

**Authorized Treasury Management Signers**

Name \_\_\_\_\_

**Title**

**Specimen Signature**


**Cheryl Jalczak**

**Accountant**

**Eric Schroeder**

CFO

The Contract Signer listed below further represents and warrants to the Bank that the signatures listed above are the true and authentic signatures of the Authorized Treasury Management Signer(s) and that Customer has taken all action required by its organizational documents to appoint the Authorized Treasury Management Signer(s).

Contract Signer Signature: 

Print Title: CEO

Print Name: Paul F. Jadin

Date: 6-1-11

**For Internal Use Only:**

For Internal Use Only:  
Authorized Signers are related to the Master Services Agreement dated:

Reviewed \_\_\_\_\_ Validated \_\_\_\_\_ TL Review \_\_\_\_\_ Imaged \_\_\_\_\_



**Wisconsin Economic Development Corporation**

**Policy on Chief Executive Officer's Report  
to the Board of Directors at the Annual Meeting**

Pursuant to Article III, Section 6(a) of the Bylaws of the Wisconsin Economic Development Corporation, a public body corporate and politic (the "Corporation"), the Corporation must have an annual meeting, which shall be in June or within 30 days of the start of the fiscal year.

It is the policy of the Corporation that the Chief Executive Officer shall present to the Board of Directors at each annual meeting the following:

- A progress report on the year-to-date expenses and revenues for the fiscal year in which the annual meeting occurs;
- A proposed budget for the following fiscal year, highlighting any major changes from the previous fiscal year;
- A progress report based on the Corporation's then-current strategic and operational plans, together with any suggested changes to the strategic or operational plan.

**Wisconsin Economic Development Corporation  
Resolution of the Compensation and Benefits Committee**

November 17, 2011

Re: Resolution on CEO Compensation

The following resolution of the Compensation and Benefits Committee of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Compensation and Benefits Committee held on the date set forth above, following the required notice and with quorum of the Committee present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.02(3) provides that the Governor will nominate, and the Senate will appoint, a Chief Executive Officer (CEO) of WEDC;

**WHEREAS**, Wis. Stat. § 238.02(3) also provides that the compensation of the CEO of WEDC may be determined by the Board of Directors;

**WHEREAS**, Article III, Section 14(b) of the Bylaws of the Board of Directors provides that the Compensation and Benefits Committee shall determine all elements of the CEO's compensation package, including salary, bonus, and benefits; and

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Compensation and Benefits Committee, has determined that the CEO's compensation package shall remain fixed at its current value.

This Resolution shall take effect immediately upon its adoption on November 17, 2011.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

December 13, 2011

Re: Resolution on Title

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization and to replace the economic and community development operations of the Wisconsin Department of Commerce ("Commerce");

**WHEREAS**, a Secretary under Wis. Stat. § 15.02 headed Commerce;

**WHEREAS**, Wis. Stat. § 238.02(3) provides that the Governor will nominate, and the Senate will appoint, a chief executive officer of WEDC; and

**WHEREAS**, WEDC deems it necessary and advantageous for purposes of managing WEDC for its chief executive officer to also maintain and use the title of Secretary.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Paul F. Jadin, who has been duly nominated and appointed as the chief executive officer of WEDC under Wis. Stat. § 238.02(3), will hold the title of chief executive officer and Secretary.

This Resolution shall take effect immediately upon its adoption on December 13, 2011.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

June 28, 2012

Re: Resolution on Statewide Collaboration on Defining and  
Measuring Performance of the State's Economic Development Programs

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

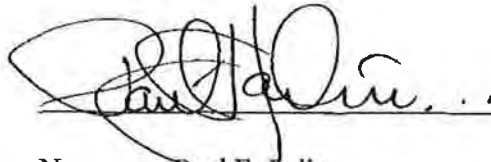
**WHEREAS**, in its June 2012 report on the State Economic Development Programs, the Wisconsin Legislative Audit Bureau recommended, among other things, that WEDC work with the Department of Agriculture, Trade and Consumer Protection, Department of Natural Resources, Department of Tourism, Department of Transportation, University of Wisconsin System, Wisconsin Housing and Economic Development Authority, and Wisconsin Technical College System to determine the programs that should be included as economic development programs for reporting to the legislature. The LAB also recommended that WEDC develop guidance to these state agencies on goals and accountability measures for the State's economic development programs.

**RESOLVED**, the Board of Directors of WEDC authorizes WEDC to lead the collaborative effort with DATCP, DNR, Tourism, DOT, UW System, WHEDA, and WTCS to determine programs that meet the statutory definition of a State economic development program and developing goals and accountability measures for each of the State's economic development programs.

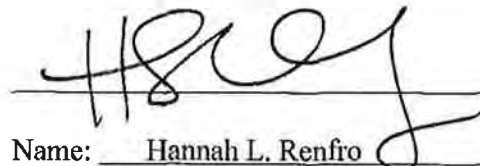
**OFFICER'S CERTIFICATE  
OF  
WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

The undersigned, Paul F. Jadin, Chief Executive Officer, and Hannah L. Renfro, Chief Legal Counsel, of the Wisconsin Economic Development Corporation, a Wisconsin public body corporate and politic (WEDC), hereby certify, on behalf of WEDC and not individually, that the attached organizational resolution is a true, correct, and complete copy of the resolution adopted by the Board of Directors of WEDC on June 28, 2012. The attached resolution has not been amended, modified, or rescinded and remains in full force and effect as of the date signed below.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate as of this 29<sup>th</sup> day of June, 2012.

  
\_\_\_\_\_  
Name: Paul F. Jadin

Title: Chief Executive Officer

  
\_\_\_\_\_  
Name: Hannah L. Renfro

Title: Chief Legal Counsel

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

June 28, 2012

Re: Resolution on Statewide Collaboration on Defining and  
Measuring Performance of the State's Economic Development Programs

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, in its June 2012 report on the State Economic Development Programs, the Wisconsin Legislative Audit Bureau recommended, among other things, that WEDC work with the Department of Agriculture, Trade and Consumer Protection, Department of Natural Resources, Department of Tourism, Department of Transportation, University of Wisconsin System, Wisconsin Housing and Economic Development Authority, and Wisconsin Technical College System to determine the programs that should be included as economic development programs for reporting to the legislature. The LAB also recommended that WEDC develop guidance to these state agencies on goals and accountability measures for the State's economic development programs.

**RESOLVED**, the Board of Directors of WEDC authorizes WEDC to lead the collaborative effort with DATCP, DNR, Tourism, DOT, UW System, WHEDA, and WTCS to determine programs that meet the statutory definition of a State economic development program and developing goals and accountability measures for each of the State's economic development programs.



**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

September 20, 2012

Re: Resolution on Investment Capital Program

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.03(1) empowers the Board to develop and implement economic development programs;

**WHEREAS**, the State's economic competitiveness is partially dependent on the formation and growth of new, high-potential businesses across a broad-range of industry sectors throughout the State;

**WHEREAS**, all stages provide critical support for the formation and growth of new businesses;

**WHEREAS**, Wisconsin is at a competitive disadvantage in providing these resources to support high-potential entrepreneurs at the start-up and early development of their new businesses, as shown by the State's consistent lower-quartile ranking for new high-potential business formation and investment capital resources; and

**WHEREAS**, WEDC maintains the necessary expertise and authority to develop a proposal for operating a capital investment program.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Board supports WEDC leading the effort to develop a capital investment program for high-potential new businesses in the State. That program should leverage the State's investments through partnerships with private sector investors, with the objective of increasing the availability of capital for new businesses from all stages of equity investment. The management of the State's investments should be structured to be insulated from political influences, recognizing that creating an effective equity investment program that fully supports new businesses requires accountability to the taxpayers of the State and apolitical evaluations that would include the following metrics: return on investment, new job creation, increase in State GDP, new incremental revenue growth, and increased economic competitiveness for the benefit of Wisconsin citizens.

This Resolution shall take effect immediately upon its adoption on September 20, 2012.

**Wisconsin Economic Development Corporation  
Resolution of the Compensation and Benefits Committee**

December 19, 2012

Re: Resolution on CEO Candidate Compensation Range

The following resolution of the Compensation and Benefits Committee of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Compensation and Benefits Committee held on the date set forth above, following the required notice and with quorum of the Committee present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.02(3) provides that the Governor will nominate, and the Senate will appoint, a Chief Executive Officer (CEO) of WEDC;

**WHEREAS**, the Governor authorized the creation of the CEO Search Committee under Article III, Section 14(a) of the Bylaws of the Board of Directors;

**WHEREAS**, The CEO Search Committee is authorized to interview and recommend candidates for the Governor's consideration for nomination;

**WHEREAS**, Wis. Stat. § 238.02(3) also provides that the compensation of the CEO of WEDC may be determined by the Board of Directors; and

**WHEREAS**, Article III, Section 14(b) of the Bylaws of the Board of Directors provides that the Compensation and Benefits Committee shall determine all elements of the CEO's compensation package, including salary, bonus, and benefits;

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Compensation and Benefits Committee, which has been assigned the sole authority to determine the compensation package for the CEO of WEDC, will set the compensation range of \$148,300 to \$237,300 for the following CEO candidates:

[Specific candidate names listed below]

Jason Jensen  
Mike Jenkins  
Phil McGoohan  
Yash Wadhwa  
Vicki Pratt  
Ralph Howard

This Resolution shall take effect immediately upon its adoption on December 19, 2012.

**Wisconsin Economic Development Corporation  
Resolution of the Compensation and Benefits Committee**

February 8, 2013

Re: Resolution on CEO Compensation

The following resolution of the Compensation and Benefits Committee of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Compensation and Benefits Committee held on the date set forth above, following the required notice and with quorum of the Committee present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.02(3) provides that the Governor will nominate, and the Senate will appoint, a Chief Executive Officer (CEO) of WEDC;

**WHEREAS**, Wis. Stat. § 238.02(3) also provides that the compensation of the CEO of WEDC may be determined by the Board of Directors; and

**WHEREAS**, Article III, Section 14(b) of the Bylaws of the Board of Directors provides that the Compensation and Benefits Committee shall determine all elements of the CEO's compensation package, including salary, bonus, and benefits;

**NOW, THE COMPENSATION AND BENEFITS COMMITTEE RESOLVES:**

**RESOLVED**, the Compensation and Benefits Committee, which has been assigned the sole authority to determine the compensation package for the CEO of WEDC, will set the compensation of \$185,000 annually for Reed E. Hall.

This Resolution shall take effect immediately upon its adoption on February 8, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

March 12, 2013

Re: Resolution on Creating a Non-Profit Foundation

The following Resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.04 grants the Board "all the powers necessary or convenient to carry out the purposes and provisions of this chapter;"

**WHEREAS**, it would be beneficial for WEDC to create a non-profit foundation registered under § 501(c)(3) of the Internal Revenue Code to assist with fundraising for economic development purposes;

**WHEREAS**, the non-profit foundation will be performing functions that will lessen the burden of the government by fundraising and expending funds related to promoting economic development in the State of Wisconsin;

**WHEREAS**, Wis. Stat. § 238.02(4) provides that all powers and duties assigned to WEDC shall be exercised by the Board unless the Board delegates that power or duty to a WEDC employee;

**WHEREAS**, the power to create a non-profit foundation has not been delegated to an employee of WEDC.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Board supports WEDC creating a non-profit foundation registered under § 501(c)(3) of the Internal Revenue Code. The non-profit foundation will be controlled by the CEO of WEDC and funded by contributions of any amount solicited and accepted by the foundation. The purpose of the non-profit foundation will be to lessen the burdens of Wisconsin's government as it relates to economic development efforts that will benefit the citizens of Wisconsin.

This Resolution shall take effect immediately upon its adoption on March 12, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

March 12, 2013

Re: Resolution on Appointment to the Audit Committee

The following Resolution of the Board of Directors (Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article III, Section 14(c) of the Bylaws provides that the Chairperson of the Corporation shall nominate three Directors, including at least one Director who is not an elected official, to serve on the Audit Committee, with such duties, responsibilities, and authorizations as set forth in the Bylaws;

**WHEREAS**, currently, Representative Peter Barca and Raymond Dreger serve on the Audit Committee, and the third seat is vacant; and

**WHEREAS**, the Chairperson has nominated Representative Jeff Stone to serve on the Audit Committee.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Representative Jeff Stone is designated to serve on the Audit Committee to serve until his respective successor is duly elected.

This Resolution shall take effect immediately upon its adoption on March 12, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolution on Compliance with the Legislative Audit Bureau's Programmatic Audit

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 13.94(1)(dr) requires the State's Legislative Audit Bureau (LAB) to conduct a biennial program evaluation audit of WEDC; and

**WHEREAS**, LAB published its FY 2011-2012 program evaluation audit on May 1, 2013, and that audit contained findings and recommendations to address the issues raised by the audit.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, WEDC must implement measures to address the findings in LAB's FY 2011-2012 program evaluation audit. In addition, WEDC must continue to review and evaluate its policies, processes, and procedures to ensure compliance with the recommendations outlined in LAB's program evaluation audit.

**RESOLVED**, the Board of Directors authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolutions Adopting the Fiscal Year 2014 Budget and Operations Plan

The following resolution of the Board of Directors (Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish the corporation's annual budget and monitor the fiscal management of the corporation; and

**WHEREAS**, WEDC's budget summary discussed at the Board's July 23, 2013 meeting reports expenditures at the departmental level.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2014 budget, a summary of which is attached and made a part of this resolution, and the accompanying operations plan is hereby approved.

**RESOLVED**, that this Budget may be revised through similar action.

**RESOLVED**, the Board of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.



**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolution on Creating a Nonprofit Organization

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.04 grants the Board "all the powers necessary or convenient to carry out the purposes and provisions of this chapter;"

**WHEREAS**, Wis. Stat. § 238.045 authorizes the Board, with the Legislature's Joint Committee on Finance approval, to create a nonprofit organization as defined in Wis. Stat. § 181.0103(17) and described in § 501(c)(3) of the Internal Revenue Code;

**WHEREAS**, it would be beneficial for WEDC to create a nonprofit organization to assist with fundraising for fulfilling WEDC's economic development mission; and

**WHEREAS**, Wis. Stat. § 238.02(4) provides that all powers and duties assigned to WEDC shall be exercised by the Board of Directors unless the Board of Directors delegates that power or duty to a WEDC employee.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Board of Directors supports WEDC forming a nonstock, nonprofit corporation registered under chapter 181 of the Wisconsin Statutes and filing an application with the Internal Revenue Service to recognize that corporation as exempt under § 501(c)(3) of the Internal Revenue Code. By July 25, 2013, WEDC will submit to the Legislature's Joint Legislative Audit Committee for review a summary of the structure of the nonprofit organization. In addition, WEDC will comply with Wis. Stat. § 238.045(2) by requesting approval from the Legislature's Joint Committee on Finance prior to incorporating the organization or filing the application for tax exempt status with the IRS.

Following review by the Joint Legislative Audit Committee and approval by the Joint Committee on Finance, WEDC will incorporate the organization and file its application with the IRS. WEDC will advise the Board of Directors when the incorporation has been completed, the application has been filed with the IRS, and of any questions raised by the IRS about the application.

**RESOLVED**, the Board of Directors authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolutions on Creation of Committees and Appointment of Committee Members

The following resolutions of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article III, Section 14(a) of the Amended and Restated Bylaws, as revised on today's date, provides that the Board of Directors may authorize the creation of standing or temporary committees, and the Board of Directors or Chairperson of the Board of Directors may appoint members to those committees;

**WHEREAS**, the Board of Directors has reviewed the charters creating a Policy Committee, a Contracts Committee, and an Awards Risk Committee, and charters for the existing Audit Committee and Compensation & Benefits Committee, all of which are attached as Exhibit A; and

**WHEREAS**, the Chairperson of the Board of Directors has nominated the individuals identified in the respective charters to serve on the three newly created committees.

**RESOLVED**, the Board of Directors authorizes the creation of the Policy Committee, Contracts Committee, and Awards Risk Committee as committees of the Board of Directors with the powers and duties outlines in the respective charters.

**RESOLVED**, the Board of Directors approves the charters attached as Exhibit A for the Policy Committee, Contracts Committee, Awards Risk Committee, Audit Committee and Compensation & Benefits Committee.

**RESOLVED**, the Board of Directors appoints the individuals identified in the respective, attached charters to serve on the Policy Committee, Contracts Committee, and Awards Risk Committee.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolution on Amended and Restated Bylaws

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Section 238.04(1) of the Wisconsin Statutes permits the Board of Directors to adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and the conduct of its business.

**RESOLVED**, the Amended and Restated Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Amended and Restated Bylaws of the Corporation.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolution Encouraging Legislation on Board Appointments of  
WEDC's CEO, COO, and CFO

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to WEDC's enabling statutes, Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.02(3) empowers the Governor to nominate and with the advice and consent of the Senate appoint WEDC's CEO.

**WHEREAS**, Wis. Stat. § 238.04(8) empowers the Board of Directors to "[e]mploy any officers, agents, and employees that it may require and determine their qualifications, duties, and compensation."

**WHEREAS**, Chapter 238 of the Wisconsin Statutes does not otherwise prescribe the means by which WEDC's COO and CFO must be hired.

**WHEREAS**, the Board of Directors has determined it is advisable for it to have a greater role in hiring WEDC's CEO, COO, and CFO.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Wisconsin State Legislature should amend Chapter 238 of the Wisconsin Statutes to explicitly empower the Board of Directors to hire and fire WEDC's CEO, COO, and CFO, and determine the qualifications, duties, and compensation for each of these positions.

**RESOLVED**, the Board of Directors authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolutions on Officer Elections

The following resolutions of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 2 of the Bylaws requires the Board of Directors elect at its annual meeting a Vice Chair, Secretary, and Treasurer; and

**WHEREAS**, the Chairperson of the Board of Directors nominates Director Dan Ariens for Vice Chair, Director Lisa Mauer as Secretary, and Director Scott Klug as Treasurer.

**RESOLVED**, Dan Ariens is elected Vice Chair of the Board of Directors.

**RESOLVED**, Lisa Mauer is elected Secretary of the Board of Directors.

**RESOLVED**, Scott Klug is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolution on Compliance with the Legislative Audit Bureau's Programmatic Audit

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 13.94(1)(dr) requires the State's Legislative Audit Bureau (LAB) to conduct a biennial program evaluation audit of WEDC; and

**WHEREAS**, LAB published its FY 2011-2012 program evaluation audit on May 1, 2013, and that audit contained findings and recommendations to address the issues raised by the audit.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, WEDC must implement measures to address the findings in LAB's FY 2011-2012 program evaluation audit. In addition, WEDC must continue to review and evaluate its policies, processes, and procedures to ensure compliance with the recommendations outlined in LAB's program evaluation audit.

**RESOLVED**, the Board of Directors authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 23, 2013

Re: Resolution on Creating a Nonprofit Organization

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.04 grants the Board "all the powers necessary or convenient to carry out the purposes and provisions of this chapter;"

**WHEREAS**, Wis. Stat. § 238.045 authorizes the Board, with the Legislature's Joint Committee on Finance approval, to create a nonprofit organization as defined in Wis. Stat. § 181.0103(17) and described in § 501(c)(3) of the Internal Revenue Code;

**WHEREAS**, it would be beneficial for WEDC to create a nonprofit organization to assist with fundraising for fulfilling WEDC's economic development mission; and

**WHEREAS**, Wis. Stat. § 238.02(4) provides that all powers and duties assigned to WEDC shall be exercised by the Board of Directors unless the Board of Directors delegates that power or duty to a WEDC employee.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Board of Directors supports WEDC forming a nonstock, nonprofit corporation registered under chapter 181 of the Wisconsin Statutes and filing an application with the Internal Revenue Service to recognize that corporation as exempt under § 501(c)(3) of the Internal Revenue Code. By July 25, 2013, WEDC will submit to the Legislature's Joint Legislative Audit Committee for review a summary of the structure of the nonprofit organization. In addition, WEDC will comply with Wis. Stat. § 238.045(2) by requesting approval from the Legislature's Joint Committee on Finance prior to incorporating the organization or filing the application for tax exempt status with the IRS.

Following review by the Joint Legislative Audit Committee and approval by the Joint Committee on Finance, WEDC will incorporate the organization and file its application with the IRS. WEDC will advise the Board of Directors when the incorporation has been completed, the application has been filed with the IRS, and of any questions raised by the IRS about the application.

**RESOLVED**, the Board of Directors authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.



**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

December 10, 2013

Re: Resolution Approving Enactment of WEDC's Systems Policies

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to WEDC's enabling statutes, Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, relying on their individual areas of expertise, other similar organizations' policies, and financial consultants where appropriate, WEDC staff have developed a comprehensive set of systems policies to guide the organization's operations. These policies are the rules that govern WEDC. In conjunction with statutes, regulations, and WEDC's program guidelines, the systems policies provide the standards for the organization's operations and administration.

**WHEREAS**, those systems policies have been reviewed and approved by WEDC's internal policy committee, which is comprised of WEDC's Chief Operating Officer, Chief Financial Officer, Chief Legal Counsel, Office of Public Policy Director, the Risk Manager, and all Vice Presidents.

**WHEREAS**, the systems policies have also been approved by WEDC's Chief Executive Officer.

**WHEREAS**, because they have been approved by the CEO, the systems policies are operational, and they have each been deployed to WEDC's staff who have received extensive training on the systems policies and are expected to comply with them.

**WHEREAS**, WEDC is in the process of internally reviewing and testing the systems policies and their implementation to determine if any processes need to be developed or modified, or if any policy amendments are necessary. Where appropriate, staff are working with consultants on that review.

**WHEREAS**, these policies were distributed to the Board on July 23, 2013, and on the same date, the Board voted to create a Policy Committee of the Board of Directors charged with an ongoing review of WEDC's systems policies. That Committee will recommend changes or refer policies for consideration by the full Board. The Committee began its review of the systems policies at its October 23, 2013 meeting. After its review, the Committee will refer the systems policies to the Board for its review. Policies prepared after July 23, 2013 must be approved by the Board before being effective.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Board approves the process being employed for the systems policies, allowing WEDC staff to continue testing the policies' implementation and the Board's Policy Committee to thoroughly review each of the systems policies and suggest changes as deemed necessary. The Board anticipates the Policy Committee's review requiring several months to complete. Consistent with that process, during the period in which staff testing and Board Policy Committee review are being completed, the Board provisionally approves the enactment and implementation of WEDC's systems policies previously approved by the CEO.

This Resolution shall take effect immediately upon its adoption on December 10, 2013.

## **Wisconsin Economic Development Corporation Resolution of the Board of Directors**

April 22, 2014

Re: A Resolution Amending the Fiscal Year 2014 Budget and Operations Plan

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish the corporation's annual budget and monitor the fiscal management of the corporation.

**WHEREAS**, on July 23, 2013 the Board did adopt the fiscal year 2014 budget.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2014 budget as amended on the attached which is made a part of this resolution, is hereby approved;

**FURTHER RESOLVED**, that the Chief Executive Officer may authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The transfer of budget from program to program may be authorized by the Audit Committee for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on April 22, 2014.

**WEDC**  
**Final Budget Amendment**  
**FY14 Budget**

Dept	Account / Description	Original Budget	Amended Budget	Amount Source/(Use) of Funds
Executive Office - 1200	Revenue Changes			
Executive Office - 1200	4110 - State GPR Funds	\$ 39,024,400	\$ 6,124,400	\$ (32,900,000)
Entrepreneurship & Innovation - 2000	4120 - State SEG Funds	19,276,300	33,776,300	14,500,000
Economic & Community Development - 3000	4009 - Federal - SSBCI	3,500,000	1,625,000	(1,875,000)
	4011 - Federal SEP Repayments-to DOA	5,000,000	-	(5,000,000)
	Total Revenue Changes			<u>(25,275,000)</u>
Legal Services - 1100	Operations and Payroll			
Executive Office - 1200	6050 - Compensation- Salary	483,362	500,362	(17,000)
Executive Office - 1200	5400 - Extended Enterprise	-	120,000	(120,000)
Economic & Community Development - 3000	6050 - Compensation- Salary	480,401	539,401	(59,000)
Economic & Community Development - 3000	5400 - Extended Enterprise	1,575,000	725,000	850,000
Business & Industry Development - 4000	6050 - Compensation- Salary	1,626,272	1,420,000	206,272
Business & Industry Development - 4000	6050 - Compensation- Salary	671,944	570,000	101,944
Business & Industry Development - 4000	6260 - Software Services	238,000	-	238,000
Business & Industry Development - 4000	6375 - WEDC Conferences and Sponsorship	165,000	60,000	105,000
Human Resources - 6100	6022 - Benefits - Unemployment Compensation	8,000	35,000	(27,000)
Human Resources - 6100	6050 - Compensation- Salary	178,854	199,854	(21,000)
Human Resources - 6100	6150 - Office Expense- Rent	460,000	478,000	(18,000)
Finance - 6200	8002 - Pension bonds principal	-	22,000	(22,000)
Finance - 6200	8003 - Pension bonds interest	-	95,000	(95,000)
Information Technology - 6300	6200 - Professional Fees- Consulting Fees	367,500	240,000	127,500
International Business Development - 7000	6200 - Professional Fees- Consulting Fees	390,556	180,600	209,956
Office of Public Policy - 8000	6200 - Professional Fees- Consulting Fees	100,000	-	100,000
	Total Operations and Payroll			<u>1,559,672</u>
Entrepreneurship & Innovation - 2000	Program Grants			
Entrepreneurship & Innovation - 2000	6630 - Seed Accelerator Program	1,050,000	1,008,750	41,250
Entrepreneurship & Innovation - 2000	6646 - Entrepreneur Micro Grant Program	200,000	303,150	(103,150)
Entrepreneurship & Innovation - 2000	6650 - Capital Catalyst Program	1,525,000	2,025,000	(500,000)
Economic & Community Development - 3000	6600 - Capacity Building Grants	464,500	356,230	108,270
Economic & Community Development - 3000	6610 - Business Expansion & Retention	-	500,000	(500,000)
Economic & Community Development - 3000	6620 - Workforce Training Grants	1,597,900	1,507,823	90,077
Economic & Community Development - 3000	6676 - Reg. Revolving Loan Fund Expansion	560,000	259,875	300,125

**WEDC**  
**Final Budget Amendment**  
**FY14 Budget**

Dept	Account / Description	Original Budget	Amended Budget	Amount Source/(Use) of Funds
Economic & Community Development - 3000	6720 - Brownfield Program Grants	9,755,400	10,255,400	(500,000)
Economic & Community Development - 3000	6725 - Idle Sites Program	3,000,000	5,118,000	(2,118,000)
Economic & Community Development - 3000	6750 - DOA - Clean Energy Manufacturing RLF	5,000,000	-	5,000,000
Business & Industry Development - 4000	6670 - Minority Revolving Loan Fund Expansion	750,000	700,000	50,000
International Business Development - 7000	6655 - Exportech	496,500	162,500	334,000
non-departmental	6695 - Commerce - Other State	3,690,000	614,185	3,075,815
	Total Program Grants			5,278,387
	Key Strategic Partners			
Entrepreneurship & Innovation - 2000	5130 - WEN (CTC)	914,000	495,878	418,122
Entrepreneurship & Innovation - 2000	5140 - Wisconsin Technology Council	722,500	310,000	412,500
Entrepreneurship & Innovation - 2000	5141 - BrightStar Wisconsin Foundation	-	300,000	(300,000)
Economic & Community Development - 3000	5160 - Regional Economic Development Orgs	1,056,100	660,035	396,065
Business & Industry Development - 4000	5180 - NWMOC	500,650	200,000	300,650
Business & Industry Development - 4000	5185 - Wisconsin Procurement Institute	361,400	305,000	56,400
	Total key Strategic Partners			1,283,737
	Net Change to Revenues and Expenditures			(17,153,204)

**Non-revenue and expenditure sources and uses of funds**

non-departmental	Fund Balance Reserves	2,651,000	21,051,000	18,400,000
non-departmental	Fund Balance carryforward actual vs budgeted	23,206,650	26,329,854	3,123,204
non-departmental	Loan Repayments	-	2,784,000	2,784,000
Entrepreneurship & Innovation - 2000	1xxx - Technology Development Loans--SSBCI	3,500,000	1,625,000	1,875,000
Entrepreneurship & Innovation - 2000	1xxx - Technology Development Loans--State	4,192,000	7,235,000	(3,043,000)
Economic & Community Development - 3000	11xx - Impact Loan Program - Forgivable Loans	7,000,000	3,300,000	3,700,000
Economic & Community Development - 3000	11xx - Business Retention and Expansion Loans	-	8,286,000	(8,286,000)
Economic & Community Development - 3000	11xx - Business Opportunity Loan Fund	13,558,600	14,958,600	(1,400,000)
	Total Non-Revenue and Expenditure Sources and Uses			17,153,204

**Net Balance**

**\$ -**

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 28, 2014

Re: Resolution on Officer Elections

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 2 of the Bylaws requires the Board of Directors elect at its annual meeting a Vice Chair, Secretary, and Treasurer; and

**WHEREAS**, the Chairperson of the Board of Directors nominates Director Dan Ariens for Vice Chair, Director Lisa Mauer as Secretary, and Director Scott Klug as Treasurer.

**RESOLVED**, Dan Ariens is elected Vice Chair of the Board of Directors.

**RESOLVED**, Lisa Mauer is elected Secretary of the Board of Directors.

**RESOLVED**, Scott Klug is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 28, 2014.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 28, 2014

Re: Resolutions Adopting the Fiscal Year 2015 Budget and Operations Plan

The following resolution of the Board of Directors (Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor the fiscal management of the corporation.

**WHEREAS**, WEDC's budget summary discussed at the Board's July 28, 2014 meeting reports expenditures at the departmental level.

**WHEREAS**, WEDC's budget summary excludes funding for existing open commitments and contracts.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2015 budget, a summary of which is attached and made a part of this resolution, and the accompanying operations plan reviewed by the Board on the date set forth above is hereby approved.

**RESOLVED**, open award commitments and open award contracts as of June 30, 2014, the exact amount to be determined after year end close, will be added to the fiscal year 2015 budget and funded through fund balance is hereby approved.

**RESOLVED**, that budget amendments shall be approved by the Board.

**RESOLVED**, the Board of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 28, 2014.

**Wisconsin Economic Development Corporation**  
**Budget Summary - by Department**

	<b>FY 13 Actual</b>	<b>Total FY14 Projected Allocated*</b>	<b>FY14 Budget for New Funds as Amended</b>	<b>Proposed FY15 Budget New Funds</b>	<b>New Funds % Chg</b>
<b>Revenues</b>					
State General Purpose Revenue	\$ 32,049,088	\$ 6,024,400	\$ 39,024,400	\$ 36,524,400	-6.4%
State Economic Development Fund (SEG)	23,189,200	33,776,300	19,276,300	21,776,300	13.0%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
Other Intergovernmental Revenue	4,178,032	721,166	9,018,495	2,220,558	-75.4%
Interest income	836,651	777,890	485,311	1,450,000	198.8%
Other Revenues	1,215,593	458,191	512,923	487,150	-5.0%
Total Revenues	<u>\$ 62,468,564</u>	<u>\$ 42,757,947</u>	<u>\$ 69,317,429</u>	<u>\$ 63,458,408</u>	<u>-8.5%</u>
<b>Expenditures</b>					
Operational Divisions					
Business & Industry Development - 4000	\$ 3,843,731	\$ 6,413,031	\$ 6,076,089	\$ 5,763,747	-5.1%
Economic & Community Development - 3000	12,440,494	35,310,712	29,640,308	23,166,495	-21.8%
Entrepreneurship & Innovation - 2000	2,003,001	6,098,374	5,155,561	7,373,134	43.0%
International Business Development - 7000	1,878,171	2,667,478	2,530,511	3,341,215	32.0%
Marketing & Communications - 5000	3,291,659	5,686,923	5,750,235	5,915,541	2.9%
Departmental					
Executive Office - 1200	1,039,295	1,053,160	880,671	1,608,659	82.7%
Credit and Risk - 6600	819,335	1,053,087	1,127,879	1,250,398	10.9%
Finance - 6200	15,277,204	927,828	828,722	1,031,782	24.5%
Human Resources - 6100	1,135,404	1,408,893	1,343,432	1,067,862	-20.5%
Information Technology - 6300	1,179,614	1,842,558	1,970,313	2,216,895	12.5%
Legal & Compliance - 1100	591,917	748,466	734,995	809,731	10.2%
Office of Public Policy - 8000	295,454	285,730	397,713	298,703	-24.9%
Commerce carryforward	105,516	616,543	-	-	0.0%
Total Expenditures	<u>\$ 43,900,795</u>	<u>\$ 64,112,783</u>	<u>\$ 56,436,429</u>	<u>\$ 53,844,162</u>	<u>-4.6%</u>
Net Change in Fund Balance	18,567,769			9,614,246	
Beginning Fund Balance	76,761,119			101,268,568	
Ending Fund Balance	<u>\$ 95,328,888</u>			<u>\$ 110,882,814</u>	
Projected Ending Fund Balance Composition					
Nonspendable	29,573,758	35,622,314		48,517,314	
Restricted	17,984,574	30,469,280		9,109,330	
Assigned	13,722,294	19,394,262		40,547,628	
Unassigned	34,048,262	15,782,712		12,708,542	
Total	<u>\$ 95,328,888</u>	<u>\$ 101,268,568</u>		<u>\$ 110,882,814</u>	
Target Unassigned Fund Balance Low	9,370,285	9,370,285		9,518,761	
Target Unassigned Fund Balance High	15,617,141	15,617,141		15,864,602	
Actual vs. Target	<u>\$ 18,431,121</u>	<u>\$ 165,571</u>		<u>\$ (3,156,060)</u>	

\* Projected allocated includes \$36,818,267 of projected actual expenditures and \$27,458,061 of projected open commitments and open contracts



# **WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

## **SECOND AMENDED & RESTATED BYLAWS**

**Effective September 25, 2014**

### **ARTICLE I**

#### **Purposes of the Corporation**

The purposes of Wisconsin Economic Development Corporation, a public body corporate and politic (the "Corporation"), shall be as set forth in Chapter 238 of the Wisconsin Statutes (the "Authorizing Statute"). These Bylaws specify various matters affecting the operations and governance of the Corporation.

### **ARTICLE II**

#### **Members**

The Corporation shall have no members but shall be managed by its Board of Directors as set forth in Article III of these Bylaws and the Authorizing Statute.

### **ARTICLE III**

#### **Directors**

Section 1. Powers. Subject to the limitations of the Authorizing Statute and these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors.

Section 2. Number, Qualification & Term.

(a) The number of Directors of the Corporation shall be fifteen, thirteen of which shall be voting and two of which shall be nonvoting.

(b) The Governor of the State of Wisconsin (the "Governor") shall nominate, and with the advice and consent of the Wisconsin Senate (the "Senate"), appoint six Directors of the Corporation (each a "Governor Appointed Director" and collectively, the "Governor Appointed Directors"). The Governor Appointed Directors shall serve at the pleasure of the Governor or until such Governor Appointed Director's death or resignation.

(c) The Governor shall serve as a Director of the Corporation, commencing on the date on which the Governor takes the oath of office as Governor and terminating on the date on which the succeeding Governor takes the oath of office as Governor, at which point the succeeding Governor shall become a Director of the Corporation.

(d) The Speaker of the Wisconsin Assembly (the "Assembly") shall appoint three Directors of the Corporation (each a "Speaker Appointed Director" and collectively, the "Speaker Appointed Directors"). The Speaker Appointed Directors shall consist of: one Representative to the Assembly from the Speaker's party; one Representative to the Assembly from the minority party (or, if there is more than one minority party, then from the largest party other than the Speaker's party); and one person who is not directly employed by a governmental agency or authority. Each of the Representatives who shall serve as Speaker Appointed

Directors shall be chosen in the same manner in which Representatives of the Assembly are appointed to standing committees in the Assembly. The Speaker Appointed Directors shall serve at the pleasure of the Speaker of the Assembly or until such Speaker Appointed Director's death or resignation, except that the Speaker Appointed Director who is a Representative in the minority party in the Assembly shall serve at the pleasure of the Minority Leader of the Assembly or until such Director's death or resignation.

(e) The Majority Leader of the Senate shall appoint three Directors of the Corporation (each a "Majority Leader Appointed Director" and collectively, the "Majority Leader Appointed Directors"). The Majority Leader Appointed Directors shall consist of: one Wisconsin state Senator from the Majority Leader's party; one Wisconsin state Senator from the minority party (or, if there is more than one minority party, then from the largest party other than the Majority Leader's party); and one person who is not directly employed by a governmental agency or authority. Each of the Wisconsin state Senators who serve as Directors shall be chosen in the same manner in which Wisconsin state Senators are appointed to standing committees in the Senate. The Majority Leader Appointed Directors shall serve at the pleasure of the Majority Leader of the Senate or until such Majority Leader Appointed Director's death or resignation, except that the Majority Leader Appointed Director who is a Senator in the minority party in the Senate shall serve at the pleasure of the Minority Leader of the Senate or until such Director's death or resignation.

(f) The Secretary of Administration for the State of Wisconsin and the Secretary of Revenue for the State of Wisconsin shall each serve as nonvoting Directors of the Corporation, commencing on the date of each Secretary's term and terminating when each Director no longer serves as a Secretary of the departments set forth herein, at which time the succeeding Secretary shall become a non-voting Director.

Section 3. Resignation. A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary of the Corporation, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. This section shall not apply to the Governor, the Secretary of Administration, or the Secretary of Revenue, who may not resign from the Corporation so long as he or she holds the office giving rise to his or her position as a Director of the Corporation. In the event one of the public officials who serves as a Director by virtue of holding such office (i.e., Governor, Representative, Senator, Secretary of Administration, or Secretary of Revenue) ceases to serve in the public office that gave rise to his or her appointment as a Director of the Corporation, such public official shall be deemed to tender his or her resignation when he or she is no longer serving in the public office that gave rise to his or her appointment. For example, if a Speaker Appointed Director who is a Representative ceases to be a Representative, that Speaker Appointed Director shall be deemed to have resigned.

Section 4. Removal. Any Governor Appointed Director may be removed from office at any time, with or without cause, by the Governor. Any Speaker Appointed Director may be removed from office, at any time, with or without cause, by the Speaker. Any

Majority Leader Appointed Director may be removed from office at any time, with or without cause, by the Majority Leader.

Section 5. Vacancies. A vacancy or vacancies in the Board of Directors occurring for any reason may be filled by the individual who has the authority to appoint a Director to the vacated seat, under the same terms and provisions as set forth in this ARTICLE III. Each Director so appointed shall hold office until such Director's successor is elected and qualified, or until such Director's death, resignation or removal.

Section 6. Meetings.

(a) Annual Meeting. A regular meeting of the Board of Directors, designated as the annual meeting, shall be held each year at such time and place as may be designated by the Chairperson of the Corporation, or by any Vice Chairperson if the Chairperson is unable to act, for the election of officers and the transaction of such other business as may properly come before the meeting. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year, the meeting, upon waiver of notice or upon due notice, may be held at a later date.

(b) Other Regular Meetings. Other regular meetings of the Board of Directors of the Corporation may be held at such regularly recurring time and place as the Board of Directors may designate.

(c) Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be held whenever called by the CEO of the Corporation (as defined below), by a majority of the Directors, or by the Chairperson of the Corporation or if the Chairperson is absent or is unable or refuses to act, by any Vice Chairperson.

(d) Open Meetings. All meetings of the Board of Directors shall be held in compliance with Wisconsin's Open Meetings Law, Wis. Stats. §§ 19.81-98.

Section 7. Notices. Except as otherwise provided in these Bylaws, notice of any meeting of the Board of Directors, in each case specifying the place, date and hour of the meeting, shall be given to each Director by written notice delivered in person, by electronic mail, or by mail or private carrier, not more than sixty days prior to the date of the meeting, but at least twenty-four hours before the time set for such meeting or, if notification is by mail, by mailing such notice at least five days before the day set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Director at the Director's address as it appears on the records of the Corporation. Except as otherwise provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such notice of such meeting.

Section 8. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, a written waiver of notice of the meeting, containing the same information as would

have been required to be included in a proper notice of the meeting, is signed by (a) each Director not present at the meeting and (b) each Director present at the meeting who objected to the transaction of any business because the meeting was not lawfully called or convened. All such waivers shall be filed with and made a part of the minutes of the meeting. Notwithstanding anything contained in this Section, no Director or Directors have the authority to waive any requirements pursuant to Wisconsin's open meetings law.

Section 9. Quorum; Action of Directors. A majority of the number of voting Directors appointed to and serving as Directors of the Corporation pursuant to these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act or decision of the Board of Directors, unless the act of a greater proportion is required by law, the Authorizing Statute or these Bylaws. The voting on all questions at a meeting shall be by voice vote, unless a Director requests a roll call vote, in which case each Director's vote shall be reflected in the meeting minutes.

Section 10. Adjournment. Any meeting of the Board of Directors, whether regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

Section 11. Organization. The Chairperson of the Corporation, or in the absence of the Chairperson, the Vice-Chairperson, shall act as chair at every meeting of the Board of Directors. The Secretary of the Corporation, or in the absence of the Secretary, any person appointed by the chairperson of the meeting, shall act as Secretary of the meeting.

Section 12. Methods of Conducting Meetings. Directors may participate in any regular or special meeting or in any meeting of a committee of Directors by any means of communication by which either (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is conducted through the use of one of the foregoing means, all participating Directors must be informed that a meeting is taking place at which official business may be transacted. A Director participating in such a meeting is deemed to be present in person at the meeting. If requested by any Director, minutes of the meeting shall be prepared and distributed to each Director.

Section 13. Compensation. The Directors shall not receive compensation for their service on the Board of Directors; provided, however, that Directors of the Corporation shall be entitled to reimbursement of necessary expenses, including travel expenses.

Section 14. Committees. The Board of Directors shall create an Audit Committee, an Awards Administration Committee, a Budget and Finance Committee, a Compensation and Benefits Committee, and a Policy Committee. The Board of Directors or the Chairperson of the Board may authorize the creation of any additional standing and/or temporary committees to consider appropriate matters, make reports to the Chairperson and/or Board of Directors, and fulfill such other advisory and decision making functions as may be designated.

The Board of Directors or the Chairperson of the Board may appoint or remove committee members (whether or not the committee member is a Director). The designation of such standing and/or temporary committees, and the committee members thereof, shall be recorded in the minutes of the Board of Directors at the immediately following meeting. The Board of Directors shall approve a charter for any committee of the Corporation.

## **ARTICLE IV**

### **Officers**

Section 1. **Officers.** The Corporation shall have a CEO, a Chairperson, one or more Vice Chairpersons, a Secretary, a Treasurer and such other officers or assistant officers as the Directors may from time to time elect. Any two or more of said offices may be held by the same person, except that (a) no person may serve as CEO and any one of the other offices; (b) the offices of Chairperson and Secretary may not be held by the same person; and (c) the offices of Chairperson and Vice Chairperson may not be held by the same person.

Section 2. **Election.** Other than the offices of Chairperson and of CEO, the officers of the Corporation shall be chosen annually by the Board of Directors at its annual meeting, and each officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal as either an officer or as a Director. Election or appointment as an officer shall not of itself create contract rights.

Section 3. **Resignation.** Any officer, other than the Chairperson, may resign at any time by giving written notice to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary or the Board of Directors as the case may be, and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. If an officer resigns as a Director of the Corporation, it shall be deemed a resignation as an officer as well.

Section 4. **Removal.** Any officer other than the Chairperson and the CEO, may be removed from office by the action of the Board of Directors, whenever in its judgment the best interests of the Corporation will be served thereby, without prejudice to the contract rights, if any, of the officer so removed.

Section 5. **Vacancies.** A vacancy occurring in any office other than the offices of Chairperson and of CEO, for any reason, may be filled for the unexpired portion of the term of said office by the Board of Directors. A vacancy in the office of Chairperson shall be filled automatically when a new Governor takes office. A vacancy in the office of CEO shall be filled in accordance with this **ARTICLE IV** by appointment of the Governor.

Section 6. **Chairperson.** The Governor shall serve as the Chairperson. The Chairperson shall have such duties, responsibilities and powers as may be necessary to carry out the directions and policies of the Board of Directors or as are prescribed in these Bylaws or otherwise delegated by the Board of Directors and shall at all times be subject to the policies, control and direction of the Board of Directors. The Chairperson shall preside at all meetings of

the Corporation. The Chairperson shall have authority, subject to the rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document consistent with the foregoing general delegation of authority or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation.

Notwithstanding the foregoing, neither the Chairperson nor any other officer other than the CEO may sign any deed or instrument of conveyance or endorse any security or execute any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness without the specific authority of the Board of Directors pursuant to ARTICLE V below of these Bylaws dealing with such matters. The Chairperson shall, whenever it may in the Chairperson's opinion be necessary, prescribe the duties of other officers and employees of the Corporation, in a manner not inconsistent with the provisions of these Bylaws and the directions of the Board of Directors.

Section 7. Vice Chairpersons. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. If at any such time the Corporation has more than one Vice Chairperson, the duties and powers of the Chairperson shall pass to the Vice Chairpersons in order of their rank as fixed by the Board of Directors, or if they are not so ranked, to the Vice Chairperson designated by the Board of Directors. The Vice Chairpersons shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors, or these Bylaws.

Section 8. Secretary. The Secretary shall perform, or have performed under the Secretary's direction, the following functions:

(a) Certify and keep at the principal office of the Corporation a copy of the Authorizing Statute and an original or copy of these Bylaws, as amended or otherwise altered to date.

(b) Keep at the principal office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings of the Board of Directors and committees thereof, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, and the names of those present at the meetings.

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(d) Be custodian of the records and of the seal of the Corporation, if any, and see that it is engraved, lithographed, printed, stamped, impressed upon, or affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

(e) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.

(f) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall perform, or have performed under the Treasurer's direction, the following functions:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

(c) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.

(d) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

Section 10. Chief Executive Officer.

(a) Appointment Process. The Governor shall nominate, and with the advice and consent of the Senate appoint, the Chief Executive Officer of the Corporation (the "CEO"), to serve at the pleasure of the Governor. For avoidance of doubt, when a new Governor takes office, the CEO shall remain as CEO of the Corporation unless and until the CEO is removed. The CEO may resign at any time by filing his or her written resignation with the Secretary of the Corporation. If the office of CEO is vacant, the COO may exercise all powers and duties of the CEO as otherwise assigned by these Bylaws, the Authorizing Statute, or the Board of Directors.

(b) Authority of CEO.

(1) *General Authority*. The Board of Directors may delegate to the CEO or other WEDC employee any powers and duties the Board of Directors deems necessary, appropriate, or proper. The powers and duties delegated here are subject to the Board reserving for itself – through the Board or a Committee of the Board – the delineated power or duty.

(2) *Execution of Documents for Administration of the Corporation*. The CEO shall have authority (or delegate authority), subject to rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document the CEO deems necessary, appropriate, or proper in the day-to-day management of the Corporation, or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to



some other officer or agent of the Corporation. For the avoidance of doubt, this subsection conveys to the CEO the authority to execute documents, contracts, and other instruments required for the day-to-day operation of the Corporation, including all day-to-day purchases by the CEO (or his or her delegate) that are deemed necessary or appropriate for the efficient functioning of the Corporation. The CEO may execute, or may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (other than bonds) without the specific authority of the Board of Directors, provided that such checks, draft, or indebtedness is in furtherance of the operation of the Corporation or is otherwise authorized by the Authorizing Statute. Nothing in this subsection, or anywhere else in these Bylaws, shall be deemed to convey to the CEO the authority to incur debt on behalf of the Corporation unless such debt is specifically set forth in a budget approved by the Board of Directors or is otherwise in the ordinary course of business.

(3) *Execution of Documents Related to Economic Development Programs.* In furtherance of the Corporation's mission to foster economic development (as defined in Wis. Stat. § 238.01(3)) within the State of Wisconsin, the CEO may execute (or delegate authority to execute) contracts or other documents related to the Corporation's economic development programming, including loans, grants, and/or tax credits. The CEO shall provide reports to the Board of Directors conveying the amount of any loans, grants, and/or tax credits, broken down by organization or entity to which those funds are allocated. The Board of Directors must approve the designation of an enterprise zone (as designated by the Corporation from time to time) and the amount and type of tax credits allocated to such enterprise zone.

(4) *Acceptance of Gifts from Private Sources.* Only the CEO may accept gifts, contributions, donations, and bequests from private sources (collectively "gifts") for the benefit of the Corporation. However, the CEO's authority under this subsection is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights, or indebtedness.

(5) *Acceptance of Grants, and Gifts from Public Sources.* Only the CEO may accept grants from public and private sources, and gifts, contributions, donations, and bequests from public sources (collectively "gifts") for the benefit of the Corporation.

(6) *Budget.* The CEO may establish (or delegate the establishment of) the Corporation's budget, and may monitor (or delegate the monitoring of) the Corporation's fiscal management.

(7) *Employment Matters.* The CEO may (or may delegate authority to), from time to time, employ any officers, agents, and/or employees that the CEO deems necessary or appropriate to fulfill the Corporation's needs, and the CEO may determine those officers', agents', and/or employees' qualifications, duties, compensation, and benefits (subject to the decisions made by the Board of Directors as recommended by Compensation and Benefits Committee). The CEO may also establish and enforce the Corporation's personnel and human resources policies and procedures.

(8) *Bonding Authority.* The CEO may, from time to time, issue (or delegate the authority to issue) bonds on behalf of the Corporation but only after obtaining the approval by the Board of Directors.

(9) *Separate Corporation.* Upon approval by the Board of Directors and as authorized by the appropriate organizational documents, the CEO may create and manage (or delegate authority to create and manage) a corporation organized under chapter 181 of the Wisconsin Statutes for the benefit of the Corporation. Such management shall include the authority to exercise the powers reserved to the Corporation under the separate corporation's organizational documents.

(10) *Procuring Insurance.* The CEO may procure (or delegate authority to procure) any insurance the CEO deems necessary, appropriate, or proper for management of the Corporation.

Section 11. Compensation. The salary of the CEO shall be fixed from time to time by the Board of Directors or a duly authorized committee thereof. Salaries of other principal officers and personnel shall be fixed from time to time by the CEO or by a duly authorized committee of the Board of Directors and shall be consistent with policies determined by the Board of Directors.

## **ARTICLE V**

### **Instruments; Bank Accounts; Checks and Drafts; Loans; Securities**

Section 1. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other requirements as set forth herein or in Board resolutions, the CEO may execute or delegate the execution, of all contracts and other instruments required for the operation of the Corporation, together with any documents necessary to issue bonds, notes, to incur other debt

obligations or to provide grants (if so approved by the Board either specifically or generally) and, when necessary, shall ensure that the Corporation's seal is affixed to any such document.

Section 2. Bank Accounts. The Board of Directors or the CEO from time to time may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositaries as may be selected by the Board or by any officer or officers, agent or agents of the Corporation.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or as otherwise set forth in these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositaries may be made without counter-signature by the CEO, Chairperson or any Vice Chairperson or the Treasurer, or by any other officer or agent of the Corporation.

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors or as otherwise provided pursuant to ARTICLE IV. Such authority may be general or confined to specific instances.

Section 5. Facsimile Signatures and Seal. The seal of the Corporation on any document referenced in this ARTICLE V may be a facsimile. The signatures of the Chairperson, Vice Chairperson, and CEO may be facsimiles.

Section 6. Signatures by Former Officers. In case any officer, who has signed or whose facsimile signature has been placed upon any document referenced in this ARTICLE V, shall have ceased to be such officer before such evidence is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue.

## **ARTICLE VI**

### **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Corporation shall commence on the first day of July in each year and close on the next succeeding June 30.

Section 2. Corporate Seal. The seal of the Corporation shall contain the name of the Corporation and the word "Wisconsin."

Section 3. Resolutions as Severable, Superseding, and Authorizing. Unless otherwise expressly provided, if any one or more of the provisions of any resolution of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed and construed to be severable from the remaining provisions therein contained and shall in no way affect the validity of the other provisions of such resolution. Unless otherwise expressly provided, each resolution of the Corporation shall be deemed to rescind and repeal all prior resolutions, rules or other actions, or part thereof, of the

Corporation in conflict with such subsequent resolution insofar (and only insofar) as such conflict exists. This provision shall not apply to conflicts between resolutions and the Bylaws of the Corporation, as such conflicts shall be resolved in accordance with ARTICLE VIII's provisions on conflict. The officers of the Corporation, attorneys, agents or employees of the Corporation shall be automatically authorized to do all acts and things required of them by any resolution of the Corporation for the full, punctual and complete performance of all of the provisions of such resolution.

## **ARTICLE VII**

### **Indemnification**

Section 1. Indemnification for Successful Defense. The Corporation shall indemnify a Director, officer or employee to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director, officer or employee was a party because he or she is a Director, officer or employee of the Corporation.

Section 2. Other Indemnification. In cases not included under ARTICLE VII, Section 1, the Corporation shall indemnify a Director or officer against liability incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

- (a) A willful failure to deal fairly with the Corporation in connection with a matter in which the Member or officer has a material conflict of interest;
- (b) A violation of the criminal law, unless the Director or officer has reasonable cause to believe that his or her conduct was lawful or has no reasonable cause to believe that his or her conduct was unlawful;
- (c) A transaction from which the Director or officer derived an improper personal profit; or
- (d) Willful misconduct, including a violation of the ethics laws as set forth in Wis. Stat. Chapter 19 (as amended and modified from time to time) to which Directors are subject.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

Section 3. Allowance of Expenses. Within 10 days after receipt of a written request by a Director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

- (a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance (together with reasonable interest thereon) to the extent that it is ultimately determined under ARTICLE VII, Sections 1 and 2 that indemnification is not required. The undertaking under this Section shall be an unlimited general obligation of the Director or officer, and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured as determined by the Board of Directors.

Section 4. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the Director or officer and the Corporation, a decision on whether the Director or officer seeking indemnification under this ARTICLE VII shall be indemnified will be determined by one of the following means for establishing his or her right to indemnification:

(a) By a majority vote of a quorum of the Directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, then the disinterested Directors shall select by majority vote from among subsections (b) and (c), below.

(b) By independent legal counsel selected by a majority vote of a quorum of the Directors at the time parties to the same or related proceedings or, if (and only if) unable to obtain such a quorum, by a majority vote of all of the Directors, including Directors who are parties to the same or related proceedings.

(c) By a panel of three arbitrators consisting of one arbitrator selected by those Directors entitled under the previous subsection to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

Section 5. Other Rights. The indemnification provided by this ARTICLE VII shall not be deemed exclusive of any other indemnity which the Directors, or the Corporation, may lawfully grant or any other rights to which any officer, Director, employee or agent may be entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would be obligated to indemnify him or her against such liability under the provisions of this ARTICLE VII. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

## **ARTICLE VIII**

### **Amendment**

These Bylaws may be amended or amended and restated by the Board of Directors. The amendment must be approved by a two-thirds majority of the Directors present at a duly authorized meeting that fulfills the quorum requirements set forth herein. To the extent

any action by the Board of Directors is inconsistent with these Bylaws, as in effect at the time of the action, but the action is taken by at least the number of Directors that would be necessary to amend the Bylaws, then such action shall be given the same effect as though the Bylaws had been temporarily amended to the extent necessary to permit the specific action to be authorized and taken by the Board of Directors.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

September 25, 2014

Re: Resolution on Committee Charters and Appointment of Committee Members

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article III, Section 14 of the Second Amended and Restated Bylaws, provides that the Board of Directors may authorize the creation of standing or temporary committees, and the Board of Directors or Chairperson of the Board of Directors may appoint members to those committees;

**WHEREAS**, the Board of Directors has reviewed the charter for an Audit Committee, a Awards Administration Committee, a Budget and Finance Committee, a Compensation and Benefits Committee, and a Policy Committee which are attached as Exhibit A; and

**WHEREAS**, the Chairperson of the Board of Directors has nominated the individuals identified in the respective charter supplements to serve on the five committees of the Board of the Directors.

**RESOLVED**, the Board of Directors approves the charters attached as Exhibit A for the Audit Committee, Awards Administration Committee, Budget and Finance Committee, Compensation and Benefits Committee, and Policy Committee.

**RESOLVED**, the Board of Directors approves the appointments of the individuals identified in the supplements accompanying the charters attached as Exhibit A.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on September 25, 2014.



**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

September 25, 2014

Re: Resolution on Second Amended and Restated Bylaws

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Section 238.04(1) of the Wisconsin Statutes permits the Board of Directors to adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and the conduct of its business.

**RESOLVED**, the Second Amended and Restated Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Second Amended and Restated Bylaws of the Corporation.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolution.

This Resolution shall take effect immediately upon its adoption on September 25, 2014.

**Wisconsin Economic Development Corporation Resolution of the Board of Directors**

April 30, 2015

Re: A Resolution Amending the Fiscal Year 2015 Budget and Operations Plan

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish the corporation's annual budget and monitor the fiscal management of the corporation.

**WHEREAS**, on July 28, 2014 the Board did adopt the fiscal year 2015 budget.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2015 budget as amended on the attached which is made a part of this resolution, is hereby approved;

**FURTHER RESOLVED**, that the Chief Executive Officer may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on April 30, 2015.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 20, 2015

Re: Resolution on Third Amended & Restated Bylaws

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, § 238.04(1) of the Wisconsin Statutes permits the Board of Directors to adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and the conduct of its business.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Third Amended and Restated Bylaws of the Corporation, attached as Exhibit A, are approved and adopted as the Third Amended and Restated Bylaws of the Corporation.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 20, 2015.

# **WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

## **THIRD AMENDED & RESTATED BYLAWS**

**Effective July 20, 2015**

### **ARTICLE I**

#### **Purposes of the Corporation**

The purposes of Wisconsin Economic Development Corporation, a public body corporate and politic (the "Corporation"), shall be as set forth in Chapter 238 of the Wisconsin Statutes (the "Authorizing Statute"). These Bylaws specify various matters affecting the operations and governance of the Corporation.

### **ARTICLE II**

#### **Members**

The Corporation shall have no members but shall be managed by its Board of Directors as set forth in Article III of these Bylaws and the Authorizing Statute.

### **ARTICLE III**

#### **Directors**

Section 1. Powers. Subject to the limitations of the Authorizing Statute and these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors.

Section 2. Number, Qualification & Term.

(a) The number of Directors of the Corporation shall be fifteen, thirteen of which shall be voting and two of which shall be nonvoting.

(b) The Governor of the State of Wisconsin (the "Governor") shall nominate, and with the advice and consent of the Wisconsin Senate (the "Senate"), appoint six Directors of the Corporation (each a "Governor Appointed Director" and collectively, the "Governor Appointed Directors"). The Governor Appointed Directors shall serve at the pleasure of the Governor or until such Governor Appointed Director's death or resignation.

(c) The Speaker of the Wisconsin Assembly (the "Assembly") shall appoint three Directors of the Corporation (each a "Speaker Appointed Director" and collectively, the "Speaker Appointed Directors"). The Speaker Appointed Directors shall consist of: one Representative to the Assembly from the Speaker's party; one Representative to the Assembly from the minority party (or, if there is more than one minority party, then from the largest party other than the Speaker's party); and one person who is not directly employed by a governmental agency or authority. Each of the Representatives who shall serve as Speaker Appointed Directors shall be chosen in the same manner in which Representatives of the Assembly are appointed to standing committees in the Assembly. The Speaker Appointed Directors shall serve at the pleasure of the Speaker of the Assembly or until such Speaker Appointed Director's death or resignation, except that the Speaker Appointed Director who is a Representative in the

minority party in the Assembly shall serve at the pleasure of the Minority Leader of the Assembly or until such Director's death or resignation.

(d) The Majority Leader of the Senate shall appoint three Directors of the Corporation (each a "Majority Leader Appointed Director" and collectively, the "Majority Leader Appointed Directors"). The Majority Leader Appointed Directors shall consist of: one Wisconsin state Senator from the Majority Leader's party; one Wisconsin state Senator from the minority party (or, if there is more than one minority party, then from the largest party other than the Majority Leader's party); and one person who is not directly employed by a governmental agency or authority. Each of the Wisconsin state Senators who serve as Directors shall be chosen in the same manner in which Wisconsin state Senators are appointed to standing committees in the Senate. The Majority Leader Appointed Directors shall serve at the pleasure of the Majority Leader of the Senate or until such Majority Leader Appointed Director's death or resignation, except that the Majority Leader Appointed Director who is a Senator in the minority party in the Senate shall serve at the pleasure of the Minority Leader of the Senate or until such Director's death or resignation.

(e) The Secretary of Administration for the State of Wisconsin and the Secretary of Revenue for the State of Wisconsin shall each serve as nonvoting Directors of the Corporation, commencing on the date of each Secretary's term and terminating when each Director no longer serves as a Secretary of the departments set forth herein, at which time the succeeding Secretary shall become a non-voting Director.

Section 3. Resignation. A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary of the Corporation, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. This section shall not apply to the Secretary of Administration, or the Secretary of Revenue, who may not resign from the Corporation so long as he or she holds the office giving rise to his or her position as a Director of the Corporation. In the event one of the public officials who serves as a Director by virtue of holding such office (i.e., Representative, Senator, Secretary of Administration, or Secretary of Revenue) ceases to serve in the public office that gave rise to his or her appointment as a Director of the Corporation, such public official shall be deemed to tender his or her resignation when he or she is no longer serving in the public office that gave rise to his or her appointment. For example, if a Speaker Appointed Director who is a Representative ceases to be a Representative, that Speaker Appointed Director shall be deemed to have resigned.

Section 4. Removal. Any Governor Appointed Director may be removed from office at any time, with or without cause, by the Governor. Any Speaker Appointed Director may be removed from office, at any time, with or without cause, by the Speaker. Any Majority Leader Appointed Director may be removed from office at any time, with or without cause, by the Majority Leader.

Section 5. Vacancies. A vacancy or vacancies in the Board of Directors occurring for any reason may be filled by the individual who has the authority to appoint a

Director to the vacated seat, under the same terms and provisions as set forth in this ARTICLE III. Each Director so appointed shall hold office until such Director's successor is elected and qualified, or until such Director's death, resignation or removal.

Section 6. Meetings.

(a) Annual Meeting. A regular meeting of the Board of Directors, designated as the annual meeting, shall be held each year at such time and place as may be designated by the Chairperson of the Corporation, or by any Vice Chairperson if the Chairperson is unable to act, for the election of officers and the transaction of such other business as may properly come before the meeting. In the event of failure, through oversight or otherwise, to hold the annual meeting of Directors in any year, the meeting, upon waiver of notice or upon due notice, may be held at a later date.

(b) Other Regular Meetings. Other regular meetings of the Board of Directors of the Corporation may be held at such regularly recurring time and place as the Board of Directors may designate.

(c) Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be held whenever called by the CEO of the Corporation (as defined below), by a majority of the Directors, or by the Chairperson of the Corporation or if the Chairperson is absent or is unable or refuses to act, by any Vice Chairperson.

(d) Open Meetings. All meetings of the Board of Directors shall be held in compliance with Wisconsin's Open Meetings Law, Wis. Stats. §§ 19.81-98.

Section 7. Notices. Except as otherwise provided in these Bylaws, notice of any meeting of the Board of Directors, in each case specifying the place, date and hour of the meeting, shall be given to each Director by written notice delivered in person, by electronic mail, or by mail or private carrier, not more than sixty days prior to the date of the meeting, but at least twenty-four hours before the time set for such meeting or, if notification is by mail, by mailing such notice at least five days before the day set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Director at the Director's address as it appears on the records of the Corporation. Except as otherwise provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such notice of such meeting.

Section 8. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, a written waiver of notice of the meeting, containing the same information as would have been required to be included in a proper notice of the meeting, is signed by (a) each Director not present at the meeting and (b) each Director present at the meeting who objected to the transaction of any business because the meeting was not lawfully called or convened. All such waivers shall be filed with and made a part of the minutes of the meeting. Notwithstanding

anything contained in this Section, no Director or Directors have the authority to waive any requirements pursuant to Wisconsin's open meetings law.

Section 9. Quorum; Action of Directors. A majority of the number of voting Directors appointed to and serving as Directors of the Corporation pursuant to these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act or decision of the Board of Directors, unless the act of a greater proportion is required by law, the Authorizing Statute or these Bylaws. The voting on all questions at a meeting shall be by voice vote, unless a Director requests a roll call vote, in which case each Director's vote shall be reflected in the meeting minutes.

Section 10. Adjournment. Any meeting of the Board of Directors, whether regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

Section 11. Organization. The Chairperson of the Corporation, or in the absence of the Chairperson, the Vice-Chairperson, shall act as chair at every meeting of the Board of Directors. The Secretary of the Corporation, or in the absence of the Secretary, any person appointed by the chairperson of the meeting, shall act as Secretary of the meeting.

Section 12. Methods of Conducting Meetings. Directors may participate in any regular or special meeting or in any meeting of a committee of Directors by any means of communication by which either (1) all participating Directors may simultaneously hear each other during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is conducted through the use of one of the foregoing means, all participating Directors must be informed that a meeting is taking place at which official business may be transacted. A Director participating in such a meeting is deemed to be present in person at the meeting. If requested by any Director, minutes of the meeting shall be prepared and distributed to each Director.

Section 13. Compensation. The Directors shall not receive compensation for their service on the Board of Directors; provided, however, that Directors of the Corporation shall be entitled to reimbursement of necessary expenses, including travel expenses.

Section 14. Committees. The Board of Directors shall create an Audit Committee, an Awards Administration Committee, a Budget and Finance Committee, a Compensation and Benefits Committee, and a Policy Committee. The Board of Directors or the Chairperson of the Board may authorize the creation of any additional standing and/or temporary committees to consider appropriate matters, make reports to the Chairperson and/or Board of Directors, and fulfill such other advisory and decision making functions as may be designated. The Board of Directors or the Chairperson of the Board may appoint or remove committee members (whether or not the committee member is a Director). The designation of such standing and/or temporary committees, and the committee members thereof, shall be recorded in



the minutes of the Board of Directors at the immediately following meeting. The Board of Directors shall approve a charter for any Committees of the Corporation.

#### **ARTICLE IV** **Officers**

Section 1. **Officers.** The Corporation shall have a CEO, a Chairperson, one or more Vice Chairpersons, a Secretary, a Treasurer and such other officers or assistant officers as the Directors may from time to time elect. The Chairperson shall be a Director employed in the private sector. Any two or more of said offices may be held by the same person, except that (a) no person may serve as CEO and any one of the other offices; (b) the offices of Chairperson and Secretary may not be held by the same person; and (c) the offices of Chairperson and Vice Chairperson may not be held by the same person.

Section 2. **Election.** Other than the office of CEO, the officers of the Corporation shall be chosen annually by the Board of Directors at its annual meeting, and each officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal as either an officer or as a Director. Election or appointment as an officer shall not of itself create contract rights.

Section 3. **Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time is specified, then upon receipt of the resignation by the Secretary or the Board of Directors as the case may be, and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. If an officer resigns as a Director of the Corporation, it shall be deemed a resignation as an officer as well.

Section 4. **Removal.** Any officer other than the CEO, may be removed from office by the action of the Board of Directors, whenever in its judgment the best interests of the Corporation will be served thereby, without prejudice to the contract rights, if any, of the officer so removed.

Section 5. **Vacancies.** A vacancy occurring in any office other than the office of CEO, for any reason, may be filled for the unexpired portion of the term of said office by the Board of Directors. A vacancy in the office of CEO shall be filled in accordance with this ARTICLE IV by appointment of the Governor.

Section 6. **Chairperson.** The Chairperson shall have such duties, responsibilities and powers as may be necessary to carry out the directions and policies of the Board of Directors or as are prescribed in these Bylaws or otherwise delegated by the Board of Directors and shall at all times be subject to the policies, control and direction of the Board of Directors. The Chairperson shall preside at all meetings of the Corporation. The Chairperson shall have authority, subject to the rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document consistent with the foregoing general delegation of authority or any other instrument or document specifically authorized by the Board of Directors, except when the signing and

execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. Notwithstanding the foregoing, neither the Chairperson nor any other officer other than the CEO may sign any deed or instrument of conveyance or endorse any security or execute any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness without the specific authority of the Board of Directors pursuant to ARTICLE V below of these Bylaws dealing with such matters. The Chairperson shall, whenever it may in the Chairperson's opinion be necessary, prescribe the duties of other officers and employees of the Corporation, in a manner not inconsistent with the provisions of these Bylaws and the directions of the Board of Directors.

Section 7. Vice Chairpersons. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. If at any such time the Corporation has more than one Vice Chairperson, the duties and powers of the Chairperson shall pass to the Vice Chairpersons in order of their rank as fixed by the Board of Directors, or if they are not so ranked, to the Vice Chairperson designated by the Board of Directors. The Vice Chairpersons shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors, or these Bylaws.

Section 8. Secretary. The Secretary shall perform, or have performed under the Secretary's direction, the following functions:

- (a) Certify and keep at the principal office of the Corporation a copy of the Authorizing Statute and an original or copy of these Bylaws, as amended or otherwise altered to date.
- (b) Keep at the principal office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings of the Board of Directors and committees thereof, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, and the names of those present at the meetings.
- (c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- (d) Be custodian of the records and of the seal of the Corporation, if any, and see that it is engraved, lithographed, printed, stamped, impressed upon, or affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.
- (e) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.
- (f) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall perform, or have performed under the Treasurer's direction, the following functions:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositaries as shall be selected by the Board of Directors.

(b) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

(c) Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.

(d) In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

#### Section 10. Chief Executive Officer.

(a) Appointment Process. The Governor shall nominate, and with the advice and consent of the Senate appoint, the Chief Executive Officer of the Corporation (the "CEO"), to serve at the pleasure of the Governor. For avoidance of doubt, when a new Governor takes office, the CEO shall remain as CEO of the Corporation unless and until the CEO is removed. The CEO may resign at any time by filing his or her written resignation with the Secretary of the Corporation. If the office of CEO is vacant, the COO may exercise all powers and duties of the CEO as otherwise assigned by these Bylaws, the Authorizing Statute, or the Board of Directors.

(b) Authority of CEO.

(1) *General Authority.* The Board of Directors may delegate to the CEO or other WEDC employee any powers and duties the Board of Directors deems necessary, appropriate, or proper. The powers and duties delegated here are subject to the Board reserving for itself – through the Board or a Committee of the Board – the delineated power or duty.

(2) *Execution of Documents for Administration of the Corporation.* The CEO shall have authority (or delegate authority), subject to rules as may be prescribed by the Board of Directors, to sign, execute, and acknowledge, on behalf of and in the name of the Corporation, any instrument or document the CEO deems necessary, appropriate, or proper in the day-to-day management of the Corporation, or any other instrument or document specifically authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. For the avoidance of doubt, this subsection conveys to the CEO the authority to execute documents, contracts, and other instruments required for the day-to-day operation of the Corporation, including all day-to-day purchases by the CEO (or his or her delegate) that are deemed necessary or appropriate for the efficient functioning of the Corporation. The CEO may execute, or

may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (other than bonds) without the specific authority of the Board of Directors, provided that such checks, draft, or indebtedness is in furtherance of the operation of the Corporation or is otherwise authorized by the Authorizing Statute. Nothing in this subsection, or anywhere else in these Bylaws, shall be deemed to convey to the CEO the authority to incur debt on behalf of the Corporation unless such debt is specifically set forth in a budget approved by the Board of Directors or is otherwise in the ordinary course of business.

(3) *Execution of Documents Related to Economic Development Programs.* In furtherance of the Corporation's mission to foster economic development (as defined in Wis. Stat. § 238.01(3)) within the State of Wisconsin, the CEO may execute (or delegate authority to execute) contracts or other documents related to the Corporation's economic development programming, including loans, grants, and/or tax credits. The CEO shall provide reports to the Board of Directors conveying the amount of any loans, grants, and/or tax credits, broken down by organization or entity to which those funds are allocated. The Board of Directors must approve the designation of an enterprise zone (as designated by the Corporation from time to time) and the amount and type of tax credits allocated to such enterprise zone.

(4) *Acceptance of Gifts from Private Sources.* Only the CEO may accept gifts, contributions, donations, and bequests from private sources (collectively "gifts") for the benefit of the Corporation. However, the CEO's authority under this subsection is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights, or indebtedness.

(5) *Acceptance of Grants, and Gifts from Public Sources.* Only the CEO may accept grants from public and private sources, and gifts, contributions, donations, and bequests from public sources (collectively "gifts") for the benefit of the Corporation.

(6) *Budget.* The CEO may establish (or delegate the establishment of) the Corporation's budget, and may monitor (or delegate the monitoring of) the Corporation's fiscal management.

(7) *Employment Matters.* The CEO may (or may delegate authority to), from time to time, employ any officers, agents, and/or employees that the CEO deems necessary or appropriate to fulfill the Corporation's needs, and the CEO may determine those officers', agents',

and/or employees' qualifications, duties, compensation, and benefits (subject to the decisions made by the Board of Directors as recommended by Compensation and Benefits Committee). The CEO may also establish and enforce the Corporation's personnel and human resources policies and procedures.

(8) *Bonding Authority.* The CEO may, from time to time, issue (or delegate the authority to issue) bonds on behalf of the Corporation but only after obtaining the approval by the Board of Directors.

(9) *Separate Corporation.* Upon approval by the Board of Directors and as authorized by the appropriate organizational documents, the CEO may create and manage (or delegate authority to create and manage) a corporation organized under chapter 181 of the Wisconsin Statutes for the benefit of the Corporation. Such management shall include the authority to exercise the powers reserved to the Corporation under the separate corporation's organizational documents.

(10) *Procuring Insurance.* The CEO may procure (or delegate authority to procure) any insurance the CEO deems necessary, appropriate, or proper for management of the Corporation.

Section 11. Compensation. The salary of the CEO shall be fixed from time to time by the Board of Directors or a duly authorized committee thereof. Salaries of other principal officers and personnel shall be fixed from time to time by the CEO or by a duly authorized committee of the Board of Directors and shall be consistent with policies determined by the Board of Directors.

## **ARTICLE V**

### **Instruments; Bank Accounts; Checks and Drafts; Loans; Securities**

Section 1. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other requirements as set forth herein or in Board resolutions, the CEO may execute or delegate the execution, of all contracts and other instruments required for the operation of the Corporation, together with any documents necessary to issue bonds, notes, to incur other debt obligations or to provide grants (if so approved by the Board either specifically or generally) and, when necessary, shall ensure that the Corporation's seal is affixed to any such document.

Section 2. Bank Accounts. The Board of Directors or the CEO from time to time may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositories as may be selected by the Board or by any officer or officers, agent or agents of the Corporation.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes, acceptances, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or as otherwise set forth in these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories may be made without counter-signature by the CEO, Chairperson or any Vice Chairperson or the Treasurer, or by any other officer or agent of the Corporation.

Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors or as otherwise provided pursuant to ARTICLE IV. Such authority may be general or confined to specific instances.

Section 5. Facsimile Signatures and Seal. The seal of the Corporation on any document referenced in this ARTICLE V may be a facsimile. The signatures of the Chairperson, Vice Chairperson, and CEO may be facsimiles.

Section 6. Signatures by Former Officers. In case any officer, who has signed or whose facsimile signature has been placed upon any document referenced in this ARTICLE V, shall have ceased to be such officer before such evidence is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of its issue.

## **ARTICLE VI** **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Corporation shall Commence on the first day of July in each year and close on the next succeeding June 30.

Section 2. Corporate Seal. The seal of the Corporation shall contain the name of the Corporation and the word "Wisconsin."

Section 3. Resolutions as Severable, Superseding, and Authorizing. Unless otherwise expressly provided, if any one or more of the provisions of any resolution of the Corporation should be determined by a court of competent jurisdiction to be contrary to law, then such provision or provisions shall be deemed and construed to be severable from the remaining provisions therein contained and shall in no way affect the validity of the other provisions of such resolution. Unless otherwise expressly provided, each resolution of the Corporation shall be deemed to rescind and repeal all prior resolutions, rules or other actions, or part thereof, of the Corporation in conflict with such subsequent resolution insofar (and only insofar) as such conflict exists. This provision shall not apply to conflicts between resolutions and the Bylaws of the Corporation, as such conflicts shall be resolved in accordance with ARTICLE VIII's provisions on conflict. The officers of the Corporation, attorneys, agents or employees of the Corporation shall be automatically authorized to do all acts and things required of them by any resolution of the Corporation for the full, punctual and complete performance of all of the provisions of such resolution.

## **ARTICLE VII**

### **Indemnification**

Section 1. Indemnification for Successful Defense. The Corporation shall indemnify a Director, officer or employee to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the Director, officer or employee was a party because he or she is a Director, officer or employee of the Corporation.

Section 2. Other Indemnification. In cases not included under ARTICLE VII, Section 1, the Corporation shall indemnify a Director or officer against liability incurred by the Director or officer in a proceeding to which the Director or officer was a party because he or she is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

(a) A willful failure to deal fairly with the Corporation in connection with a matter in which the Member or officer has a material conflict of interest;

(b) A violation of the criminal law, unless the Director or officer has reasonable cause to believe that his or her conduct was lawful or has no reasonable cause to believe that his or her conduct was unlawful;

(c) A transaction from which the Director or officer derived an improper personal profit; or

(d) Willful misconduct, including a violation of the ethics laws as set forth in Wis. Stat. Chapter 19 (as amended and modified from time to time) to which Directors are subject.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section.

Section 3. Allowance of Expenses. Within 10 days after receipt of a written request by a Director or officer who is a party to a proceeding, the Corporation shall pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Corporation; and

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance (together with reasonable interest thereon) to the extent that it is ultimately determined under ARTICLE VII, Sections 1 and 2 that indemnification is not required. The undertaking under this Section shall be an unlimited general obligation of the Director or officer, and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured as determined by the Board of Directors.



Section 4. Determination of Right to Indemnification. Unless otherwise provided by written agreement between the Director or officer and the Corporation, a decision on whether the Director or officer seeking indemnification under this ARTICLE VII shall be indemnified will be determined by one of the following means for establishing his or her right to indemnification:

(a) By a majority vote of a quorum of the Directors who are not at the time parties to the same or related proceedings. If a quorum of disinterested Directors cannot be obtained, then the disinterested Directors shall select by majority vote from among subsections (b) and (c), below.

(b) By independent legal counsel selected by a majority vote of a quorum of the Directors at the time parties to the same or related proceedings or, if (and only if) unable to obtain such a quorum, by a majority vote of all of the Directors, including Directors who are parties to the same or related proceedings.

(c) By a panel of three arbitrators consisting of one arbitrator selected by those Directors entitled under the previous subsection to select independent legal counsel, one arbitrator selected by the Director or officer seeking indemnification, and one arbitrator selected by the two arbitrators previously selected.

Section 5. Other Rights. The indemnification provided by this ARTICLE VII shall not be deemed exclusive of any other indemnity which the Directors, or the Corporation, may lawfully grant or any other rights to which any officer, Director, employee or agent may be entitled, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would be obligated to indemnify him or her against such liability under the provisions of this ARTICLE VII. Such insurance may, but need not, be for the benefit of all Directors, officers, employees and agents.

## **ARTICLE VIII**

### **Amendment**

These Bylaws may be amended or amended and restated by the Board of Directors. The amendment must be approved by a two-thirds majority of the Directors present at a duly authorized meeting that fulfills the quorum requirements set forth herein. To the extent any action by the Board of Directors is inconsistent with these Bylaws, as in effect at the time of the action, but the action is taken by at least the number of Directors that would be necessary to amend the Bylaws, then such action shall be given the same effect as though the Bylaws had been temporarily amended to the extent necessary to permit the specific action to be authorized and taken by the Board of Directors.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 20, 2015

Re: Resolution on WEDC's Fund Balance

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board present pursuant to WEDC's enabling statutes, Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, the State of Wisconsin created WEDC to be the State's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management;

**WHEREAS**, effective July 1, 2015, state statutes require WEDC to limit its unassigned fund balance on June 30 of each year to be an amount equal to two-twelfths of its estimated annual administrative expense for that year;

**WHEREAS**, the Board's Policy Committee recommends the Board approve at its July 20, 2015 meeting a revised FIN 104 Fund Balance Policy, the objective of which is to comply with state statutes and delineate the internal requirements for a fund balance and the management of fund balance reserves;

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, WEDC's management shall limit the unassigned fund balance on June 30 of each year to two-twelfths of its estimated annual administrative expenditures for that year, consistent with state statutes and WEDC's Fund Balance Policy.

**RESOLVED**, any available funds in excess of the June 30 unassigned fund balance will be applied to next year's program budgets on a pro rata basis consistent with the Board's approval of funds for those program budgets.

**RESOLVED**, the Board approves WEDC management applying the directives outlined here to its unassigned fund balance as of June 30, 2015.

This Resolution shall take effect immediately upon its adoption on July 20, 2015.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 20, 2015

Re: Resolution on the Interim FY16 Budget and Operations Plan and  
Continuing Program Guidelines

The following Resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board present pursuant to WEDC's enabling statutes, Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, the State of Wisconsin created WEDC to be the State's lead economic development organization;

**WHEREAS**, Wis. Stat. § 238.03(1) empowers the Board to "develop and implement economic programs to provide business support and expertise and financial assistance to companies that are investing and creating jobs in Wisconsin and to support new business start-ups and business expansion and growth in Wisconsin. The board may also develop and implement any other programs related to economic development in Wisconsin.";

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management;

**WHEREAS**, WEDC's budget summary excludes funding for existing open commitments and contracts; and

**WHEREAS**, the Board has approved WEDC contracting with the Center for Regional Economic Competitiveness for a comprehensive evaluation of WEDC's organizational and program structure, the result of which are anticipated to be released publically by January 1, 2016.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the Interim FY16 Budget and Operations Plan is approved.

**RESOLVED**, the FY15 Program Guidelines as amended from time to time according to GOV ADM 126 Program Guideline Approval and Revision approved by the Board on July 28, 2014 shall continue in effect until the Board adopts a final FY16 Budget and Operations Plan, which shall include revised program guidelines.

**RESOLVED**, open award commitments and open award contracts as of June 30, 2015, the exact amount to be determined after year end close, will be added to the fiscal year 2016 budget and funded through fund balance is approved.

This Resolution shall take effect immediately upon its adoption on July 20, 2015.

**Wisconsin Economic Development Corporation  
Resolution of the Compensation and Benefits Committee**

September 17, 2015

Re: Resolution on CEO Compensation

The following resolution of the Compensation and Benefits Committee of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Compensation and Benefits Committee held on the date set forth above, following the required notice and with quorum of the Committee present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Wis. Stat. § 238.02(3) provides that the Governor will nominate, and the Senate will appoint, a Chief Executive Officer (CEO) of WEDC;

**WHEREAS**, Wis. Stat. § 238.02(3) provides that the compensation of the CEO of WEDC shall be determined by the Board of Directors;

**WHEREAS**, Article IV, Section 11 of the Bylaws of the Board of Directors provides that the salary of the CEO shall be fixed by the Board of Directors or a duly authorized committee thereof; and

**WHEREAS**, the Compensation and Benefits Committee has been authorized to determine all elements of the CEO's compensation package, including salary, bonus, and benefits.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, the Compensation and Benefits Committee authorizes WEDC to offer Mark Hogan an annual salary of \$195,000.

This Resolution shall take effect immediately upon its adoption on September 17, 2015.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 20, 2015

Re: Resolution on Officer Elections

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 2 of the Bylaws requires the Board of Directors elect at its annual meeting a Chair, Vice Chair, Secretary, and Treasurer

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Dan Ariens is elected Chair of the Board of Directors.

**RESOLVED**, Lisa Mauer is elected Vice Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Secretary of the Board of Directors.

**RESOLVED**, Scott Klug is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 20, 2015.

**Wisconsin Economic Development Corporation Resolution of the Board of Directors**

April 21, 2016

Re: Resolution Amending the Fiscal Year 2016 Budget

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization.

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

**WHEREAS**, on July 23, 2015 the Board did adopt the fiscal year 2016 budget.

**WHEREAS**, on April 7, 2016 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2016 budget as amended on the attached.

**NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2016 budget as amended on the attached which is made a part of this resolution, is approved.

**RESOLVED**, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on April 21, 2016.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

April 21, 2016

Re: Resolution on Officer Election

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 1 of the Bylaws provides that the Board of Directors shall, from time to time, elect a Treasurer.

**WHEREAS**, Scott Klug has resigned from the Board of Directors and is, therefore, no longer the Treasurer of the Board of Directors.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, David Drury is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on April 21, 2016.



**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

July 14, 2016

Re: Resolution on Officer Elections

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV, Section 2 of the Bylaws requires the Board of Directors elect at its annual meeting a Chair, Vice Chair, Secretary, and Treasurer

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Lisa Mauer is elected Chair of the Board of Directors.

**RESOLVED**, Dan Ariens is elected Vice Chair of the Board of Directors.

**RESOLVED**, Nancy Hernandez is elected Secretary of the Board of Directors.

**RESOLVED**, Dave Drury is elected Treasurer of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 14, 2016.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

December 13, 2016

Re: Resolution on Election of Vice Chair

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV Section 1 of the Bylaws provides that the Board of Directors shall, from time to time, elect a Vice Chair.

**WHEREAS**, Dan Ariens has resigned from the position of Vice Chair, effective as of the date set forth above.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Nancy Hernandez is elected Vice Chair of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on December 13, 2016.

**Wisconsin Economic Development Corporation  
Resolution of the Board of Directors**

December 13, 2016

Re: Resolution on Election of Vice Chair

The following resolution of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, Article IV Section 1 of the Bylaws provides that the Board of Directors shall, from time to time, elect a Vice Chair.

**WHEREAS**, Dan Ariens has resigned from the position of Vice Chair, effective as of the date set forth above.

**WHEREAS, NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, Nancy Hernandez is elected Vice Chair of the Board of Directors.

**RESOLVED**, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on December 13, 2016.

**Wisconsin Economic Development Corporation  
Board of Directors**

**Substitute Motion  
December 13, 2016**

WEDC's Board of Directors reaffirms its decision at its September 25, 2014 meeting to require three disclosures from award applicants and recipients. First, for programs in which jobs are an expected outcome, the contract must include a provision stating, "The Recipient will notify WEDC within 30 days if any net Full-Time Positions in Wisconsin are reduced or if any Full-Time Positions are relocated out of Wisconsin." Second, each performance report will include a certification providing, "No funds were utilized to relocate jobs out of Wisconsin or reduce net employment in Wisconsin." Third, each application will include a check box and disclosure reading, "I certify that incentive assistance is needed to ensure this Project will happen in Wisconsin. Please provide details below:" WEDC will continue to comply with these requirements.

WEDC staff will continue to rely on the information gathered from these disclosures to effectively manage its accounts with businesses across the state. In addition, WEDC staff will submit to the Board a list of all tax credit revocations in addition to the other quarterly reports provided to the Board. As of today's date, the quarterly reports provided to the Board will cover: historical trends, loans past due over 90 days, performance-based loans forgiven, charged-off loans, tax credit revocations, overdue performance reports, overdue schedules of expenditures or verified statements, amendments, and awards origination.

Going forward, the Board's Awards Administration Committee must approve any substantive amendments for awards in which there has been a reduction in Full-Time Positions according to the definitions in the contract. The Awards Administration Committee will report to the Board on at least a quarterly basis any amendments the Committee considers under this motion. This requirement will be effective on awards for which jobs are a requirement and as soon as possible but no later than on any award for which the application is received after February 1, 2017.

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.  
**Date:** Sunday, January 27, 2019 3:21:25 PM  
**Attachments:** [AttachedImage](#)  
[AttachedImage](#)  
[AttachedImage](#)  
[Audit Committee Charter.pdf](#)  
[Awards Admin. Committee Charter.pdf](#)  
[Budget and Finance Committee Charter.pdf](#)  
[Wis. Stat. Ch. 19- Pulled 12-27-2018.pdf](#)  
[Wis. Stat. Ch. 238- Pulled on 12-27-2018.pdf](#)  
[10. Board Ethics Policy.pdf](#)  
[11. Public Records Manual.pdf](#)  
[12. Open Meetings Manual.pdf](#)

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This is the fourth and final email with Board Governance materials.

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**From:** Jennifer Jin  
**Sent:** Sunday, January 27, 2019 2:25 PM  
**To:** Joel.brennan@wisconsin.gov  
**Subject:** Jennifer Jin shared the folder "Final WEDC Board Governance Binder" with you.

Secretary Brennan,

I am trying to give you direct access to the two folders. Please let me know if this works. Otherwise, I will download the files directly and send them to you.

Jenn



This link only works for the direct recipients of this message.



Final WEDC Board Governance Binder

Open

Microsoft respects your privacy. To learn more, please read our [Privacy Statement](#).  
Microsoft Corporation, One Microsoft Way, Redmond, WA 98052

## **AUDIT COMMITTEE CHARTER**

### **Mission**

The purpose of the Audit Committee is to evaluate the audits and monitoring conducted of WEDC and advise the Board on these matters.

### **Authority and Responsibilities**

#### *Evaluative and Advisory Functions*

Evaluate and advise the Board on WEDC's audits and monitoring, WEDC's compliance with its audit and monitoring related matters, and recommend an independent auditing firm for WEDC.

#### *Whistleblower*

In accordance with the WEDC Code of Ethics and Conduct, employees may address concerns regarding illegal, dishonest, or fraudulent activity with the Chair of the Audit Committee.

#### *Inform the Board*

Inform the Board of actions taken by the Audit Committee and of issues arising from Audit Committee meetings.

### **Organization**

#### *Membership, Structure, Quorum*

According to WEDC's Bylaws, the Board or Chair of the Board may appoint or remove members of a committee. The Audit Committee chair shall be elected by the other Audit Committee members or appointed by the Chair of the Board. A quorum of any meeting of the Audit Committee shall consist of a majority of its voting members. Audit Committee members may participate by teleconference. If an Audit Committee member is unable to attend a meeting, he or she may provide written notice designating an individual to participate in that meeting on his or her behalf. The designee may not vote on behalf of the Audit Committee member.

#### *Staff Designee*

WEDC legal counsel and administrative support will be provided at the Audit Committee meetings.

#### *Agenda, Minutes, and Reports*

The Audit Committee chair, in collaboration with WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to the Audit Committee in advance of the meeting. Minutes for all meetings shall be drafted by WEDC staff, reviewed by the Audit Committee chair, and approved by the Audit Committee at the following meeting. Audit Committee meetings are subject to the open meetings laws.



## **AWARDS ADMINISTRATION COMMITTEE CHARTER**

### **Mission**

WEDC's Board Awards Administration Committee is charged with evaluating recommendations for and approving certain economic development awards. The committee will approve loans amounting to over \$500,000 up to \$1 million, grants amounting to over \$500,000 and up to \$2 million, tax credits (except enterprise zones which must go to the Board regardless of amount) amounting to over \$3.5 million and up to \$10 million, and, pursuant to the motion enacted by the Board of Directors on December 13, 2016, amendments to awards, for which the application was received after February 1, 2017, where jobs must be retained or created and there has been reduction in the awardee's statewide employment. The Board Awards Administration Committee will also approve WEDC exercising an option to convert a loan into an equity investment. In addition, the Board Awards Administration Committee will serve in an advisory capacity to WEDC to ensure the Awards Administration Policy in the WEDC Code of Ethics and Conduct remains up to date and is in compliance with current industry standards.

### **Authority and Responsibilities**

#### *Award Approvals*

This committee will have final approval on all award requests and award amendments that fall within its approval authority. Any award or amendment that exceeds this limit will first be presented to this committee, and then will be routed to the full Board for final approval. The Board Awards Administration Committee will also approve WEDC exercising an option to convert a loan into an equity investment.

#### *Award Charge-Off*

The committee will be notified of management's award charge-off recommendations.

#### *Program Guidelines*

The committee will review new program guidelines which will be routed to the full Board for final approval. The committee will approve substantive midyear revisions to existing program guidelines.

#### *Inform the Board*

Inform the full Board of Directors of substantive actions taken by the Board Awards Administration Committee and of issues arising at committee meetings.

### **Organization**

#### *Membership, Structure, Quorum*

The Board Awards Administration Committee shall consist of: two Board members, WEDC's Chief Executive Officer, WEDC's Chief Operating Officer, WEDC's Chief Financial Officer, and at least two individuals with experience in the financial services industry or other related experience. The committee chair shall be appointed by the Board chair or elected by the committee. A quorum of any meeting of the Board Awards Administration Committee shall consist of one WEDC Board member, one outside committee member, and one WEDC staff member of the committee. Committee members may participate by teleconference. If a committee member is unable to attend a meeting, they may provide written notice designating an individual to participate in that particular meeting on their behalf. The designee may not vote on behalf of the Awards Committee member.

#### *Staff Designee*

WEDC legal counsel and administrative support will be provided at the committee meetings.

#### *Agenda, Minutes, and Reports*

The committee chair and WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting.

Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.

## **BUDGET AND FINANCE COMMITTEE CHARTER**

### **Mission**

The purpose of the Budget and Finance Committee is to review and advise the Board on the budget, operations plan, strategic planning, and finance related matters of WEDC.

### **Authority and Responsibilities**

#### *Review Advisory Functions*

Review and advise the Board on WEDC's budget, operations plan, strategic planning, and other finance related matters.

#### *Approval Functions*

Review and approve purchases amounting to \$100,000 or more according to WEDC's Procurement Policy.

#### *Inform the Board*

Inform the Board of actions taken by the Budget and Finance Committee and of issues arising from Budget and Finance Committee meetings.

### **Organization**

#### *Membership, Structure, Quorum*

According to WEDC's Bylaws, the Board or Chair of the Board may appoint or remove members of a committee. The Budget and Finance Committee chair shall be elected by the other Budget and Finance Committee members or appointed by the Chair of the Board. A quorum of any meeting of the Budget and Finance Committee shall consist of a majority of its voting members. Budget and Finance Committee members may participate by teleconference. If a Budget and Finance Committee member is unable to attend a meeting, he or she may provide written notice designating an individual to participate in that meeting on his or her behalf. The designee may not vote on behalf of the Budget and Finance Committee member.

#### *Staff Designee*

WEDC legal counsel and administrative support will be provided at the Budget and Finance Committee meetings.

#### *Agenda, Minutes, and Reports*

The Budget and Finance Committee chair, in collaboration with WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to Budget and Finance Committee members in advance of the meeting. Minutes for all meetings shall be drafted by WEDC staff, reviewed by the Budget and Finance Committee chair, and approved by the Budget and Finance Committee members at the following meeting. Budget and Finance Committee meetings are subject to the open meetings laws.

## CHAPTER 19

## GENERAL DUTIES OF PUBLIC OFFICIALS

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## SUBCHAPTER I

## OFFICIAL OATHS AND BONDS

**19.01 Oaths and bonds.** (1) FORM OF OATH. Every official oath required by [article IV, section 28](#), of the constitution or by any statute shall be in writing, subscribed and sworn to and except as provided otherwise by s. [757.02](#) and [SCR 40.15](#), shall be in substantially the following form:

STATE OF WISCONSIN,  
County of ....

I, the undersigned, who have been elected (or appointed) to the office of ....., but have not yet entered upon the duties thereof, swear (or affirm) that I will support the constitution of the United States and the constitution of the state of Wisconsin, and will faithfully discharge the duties of said office to the best of my ability. So help me God.

....

Subscribed and sworn to before me this .... day of ....., .... (year)  
....(Signature)....,

**(1m) FORM OF ORAL OATH.** If it is desired to administer the official oath orally in addition to the written oath prescribed above, it shall be in substantially the following form:

I, ....., swear (or affirm) that I will support the constitution of the United States and the constitution of the state of Wisconsin, and

will faithfully and impartially discharge the duties of the office of .... to the best of my ability. So help me God.

**(2) FORM OF BOND.** (a) Every official bond required of any public officer shall be in substantially the following form:

We, the undersigned, jointly and severally, undertake and agree that ....., who has been elected (or appointed) to the office of ....., will faithfully discharge the duties of the office according to law, and will pay to the parties entitled to receive the same, such damages, not exceeding in the aggregate .... dollars, as may be suffered by them in consequence of the failure of .... to discharge the duties of the office.

Dated ....., .... (year)

....(Principal)....,

....(Surety)....,

(b) Any further or additional official bond lawfully required of any public officer shall be in the same form and it shall not affect or impair any official bond previously given by the officer for the same or any other official term. Where such bond is in excess of the sum of \$25,000, the officer may give 2 or more bonds.

**(2m) EFFECT OF GIVING BOND.** Any bond purportedly given as an official bond by a public officer, of whom an official bond is required, shall be deemed to be an official bond and shall be deemed as to both principal and surety to contain all the conditions and provisions required in sub. (2), regardless of its form or word-

**19.01 GENERAL DUTIES OF PUBLIC OFFICIALS**

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ing, and any provisions restricting liability to less than that provided in sub. (2) shall be void.

(3) **OFFICIAL DUTIES DEFINED.** The official duties referred to in subs. (1) and (2) include performance to the best of his or her ability by the officer taking the oath or giving the bond of every official act required, and the nonperformance of every act forbidden, by law to be performed by the officer; also, similar performance and nonperformance of every act required of or forbidden to the officer in any other office which he or she may lawfully hold or exercise by virtue of incumbency of the office named in the official oath or bond. The duties mentioned in any such oath or bond include the faithful performance by all persons appointed or employed by the officer either in his or her principal or subsidiary office, of their respective duties and trusts therein.

(4) **WHERE FILED.** (a) Official oaths and bonds of the following public officials shall be filed in the office of the secretary of state:

1. All members and officers of the legislature.
2. The governor.
3. The lieutenant governor.
4. The state superintendent.
5. The justices, reporter and clerk of the supreme court.
6. The judges of the court of appeals.
7. The judges and reporters of the circuit courts.
8. All notaries public.
9. Every officer, except the secretary of state, state treasurer, district attorney and attorney general, whose compensation is paid in whole or in part out of the state treasury, including every member or appointee of a board or commission whose compensation is so paid.
10. Every deputy or assistant of an officer who files with the secretary of state.

(b) Official oaths and bonds of the following public officials shall be filed in the office of the governor:

1. The secretary of state.
2. The state treasurer.
3. The attorney general.

(bn) Official oaths and bonds of all district attorneys shall be filed with the secretary of administration.

(c) Official oaths and bonds of the following public officials shall be filed in the office of the clerk of the circuit court for any county in which the official serves:

1. All circuit and supplemental court commissioners.
4. All judges, other than municipal judges, and all judicial officers, other than judicial officers under subd. 1., elected or appointed for that county, or whose jurisdiction is limited to that county.

(d) Official oaths and bonds of all elected or appointed county officers, other than those enumerated in par. (c), and of all officers whose compensation is paid out of the county treasury shall be filed in the office of the county clerk of any county in which the officer serves.

(dm) Official oaths and bonds of members of the governing board, and the superintendent and other officers of any joint county school, county hospital, county sanatorium, county asylum or other joint county institution shall be filed in the office of the county clerk of the county in which the buildings of the institution that the official serves are located.

(e) Official oaths and bonds of all elected or appointed town officers shall be filed in the office of the town clerk for the town in which the officer serves, except that oaths and bonds of town clerks shall be filed in the office of the town treasurer.

(f) Official oaths and bonds of all elected or appointed city officers shall be filed in the office of the city clerk for the city in which the officer serves, except that oaths and bonds of city clerks shall be filed in the office of the city treasurer.

(g) Official oaths and bonds of all elected or appointed village officers shall be filed in the office of the village clerk for the village in which the officer serves, except that oaths and bonds of village clerks shall be filed in the office of the village treasurer.

(h) The official oath and bond of any officer of a school district or of an incorporated school board shall be filed with the clerk of the school district or the clerk of the incorporated school board for or on which the official serves.

(j) Official oaths and bonds of the members of a technical college district shall be filed with the secretary for the technical college district for which the member serves.

(4m) **APPROVAL AND NOTICE.** Bonds specified in sub. (4) (c), (d) and (dm) and bonds of any county employee required by statute or county ordinance to be bonded shall be approved by the district attorney as to amount, form and execution before the bonds are accepted for filing. The clerk of the circuit court and the county clerk respectively shall notify in writing the county board or chairperson within 5 days after the entry upon the term of office of a judicial or county officer specified in sub. (4) (c), (d) and (dm) or after a county employee required to be bonded has begun employment. The notice shall state whether or not the required bond has been furnished and shall be published with the proceedings of the county board.

(5) **TIME OF FILING.** Every public officer required to file an official oath or an official bond shall file the same before entering upon the duties of the office; and when both are required, both shall be filed at the same time.

(6) **CONTINUANCE OF OBLIGATION.** Every such bond continues in force and is applicable to official conduct during the incumbency of the officer filing the same and until the officer's successor is duly qualified and installed.

(7) **INTERPRETATION.** This section shall not be construed as requiring any particular officer to furnish or file either an official oath or an official bond. It is applicable to such officers only as are elsewhere in these statutes or by the constitution or by special, private or local law required to furnish such an oath or bond. Provided, however, that whether otherwise required by law or not, an oath of office shall be filed by every member of any board or commission appointed by the governor, and by every administrative officer so appointed, also by every secretary and other chief executive officer appointed by such board or commission.

(8) **PREMIUM ON BOND ALLOWED AS EXPENSE.** The state and any county, town, village, city or school district may pay the cost of any official bond furnished by an officer or employee thereof pursuant to law or any rules or regulations requiring the same if said officer or employee shall furnish a bond with a licensed surety company as surety, said cost not to exceed the current rate of premium per year. The cost of any such bond to the state shall be charged to the proper expense appropriation.

**History:** 1971 c. 154; 1977 c. 29 s. 1649; 1977 c. 187 ss. 26, 135; 1977 c. 305 s. 64; 1977 c. 449; Sup. Ct. Order, eff. 1–1–80; 1979 c. 110 s. 60 (13); 1983 a. 6, 192; 1983 a. 538 s. 271; 1989 a. 31; 1991 a. 39, 316; 1993 a. 399; 1997 a. 250; 1999 a. 32, 83; 2001 a. 61; 2007 a. 96; 2013 a. 107.

**19.015 Actions by the state, municipality or district.**

Whenever the state or any county, town, city, village, school district or technical college district is entitled to recover any damages, money, penalty or forfeiture on any official bond, the attorney general, county chairperson, town chairperson, mayor, village president, school board president or technical college district board chairperson, respectively, shall prosecute or cause to be prosecuted all necessary actions in the name of the state, or the municipality, against the officer giving the bond and the sureties for the recovery of the damages, money, penalty or forfeiture.

**History:** 1971 c. 154; 1983 a. 192; 1989 a. 56; 1993 a. 399.

**19.02 Actions by individuals.** Any person injured by the act, neglect or default of any officer, except the state officers, the officer's deputies or other persons which constitutes a breach of the condition of the official bond of the officer, may maintain an action in that person's name against the officer and the officer's

sureties upon such bond for the recovery of any damages the person may have sustained by reason thereof, without leave and without any assignment of any such bond.

**History:** 1991 a. 316.

**19.03 Security for costs; notice of action.** (1) Every person commencing an action against any officer and sureties upon an official bond, except the obligee named therein, shall give security for costs by an undertaking as prescribed in s. 814.28 (3), and a copy thereof shall be served upon the defendants at the time of the service of the summons. In all such actions if final judgment is rendered against the plaintiff the same may be entered against the plaintiff and the sureties to such undertaking for all the lawful costs and disbursements of the defendants in such action, by whatever court awarded.

(2) The plaintiff in any such action shall, within 10 days after the service of the summons therein, deliver a notice of the commencement of such action to the officer who has the legal custody of such official bond, who shall file the same in his or her office in connection with such bond.

**History:** Sup. Ct. Order, 67 Wis. 2d 585, 773 (1975); 1975 c. 218; 1991 a. 316.

**19.04 Other actions on same bond.** No action brought upon an official bond shall be barred or dismissed by reason merely that any former action shall have been prosecuted on such bond, but any payment of damages made or collected from the sureties or any of them on any judgment in an action previously begun by any party on such bond shall be applied as a total or partial discharge of the penal sum of such bond, and such defense or partial defense may be pleaded by answer or supplemental answer as may be proper. The verdict and judgment in every such action shall be for no more than the actual damages sustained or damages, penalty or forfeiture awarded, besides costs. The court may, when it shall be necessary for the protection of such sureties, stay execution on any judgment rendered in such actions until the final determination of any actions so previously commenced and until the final determination of any other action commenced before judgment entered in any such action.

**19.05 Execution; lien of judgment.** (1) Whenever a judgment is rendered against any officer and the officer's sureties on the officer's official bond in any court other than the circuit court of the county in which the officer's official bond is filed, no execution for the collection of the judgment shall issue from the other court unless the plaintiff, the plaintiff's agent or the plaintiff's attorney shall make and file with the court an affidavit showing each of the following:

(a) That no other judgment has been rendered in any court in an action upon the officer's bond against the sureties of the bond that remains in whole or in part unpaid.

(b) That no other action upon the officer's bond against the sureties was pending and undetermined in any other court at the time of the entry of the judgment.

(2) A transcript of a judgment described in sub. (1) may be entered in the judgment and lien docket in other counties, shall constitute a lien, and may be enforced, in all respects the same as if it were an ordinary judgment, for the recovery of money, except as provided otherwise in sub. (1).

**History:** 1991 a. 316; 1995 a. 224.

**19.06 Sureties, how relieved.** Whenever several judgments shall be recovered against the sureties on any official bond in actions which shall have been commenced before the date of the entry of the last of such judgments the aggregate of which, exclusive of costs, shall exceed the sum for which such sureties remain liable at the time of the commencement of such actions, they may discharge themselves from all further liability upon such judgments by paying into court the sum for which they are then liable, together with the costs recovered on such judgments; or the court may, upon motion supported by affidavit, order that no execution for more than a proportional share of such judgments shall be

issued thereon against the property of such sureties or either of them and that upon payment or collection of such proportional share they shall be discharged from the judgment or judgments upon which such proportional share shall be paid or collected. When the money is paid into court by the sureties as above specified the same, exclusive of the costs so paid in, shall be distributed by an order of the court to the several plaintiffs in such judgments in proportion to the amount of their respective judgments. But every judgment shall have precedence of payment over all judgments in other actions commenced after the date of the recovery of such judgment.

**History:** 1979 c. 110 s. 60 (11).

**19.07 Bonds of public officers and employees.**

(1) **CIVIL SERVICE EMPLOYEES; BLANKET BONDS.** (a) The surety bond of any civil service employee of a city, village, town or county may be canceled in the manner provided by sub. (3).

(b) Any number of officers, department heads or employees may be combined in a schedule or blanket bond, where such bond is to be filed in the same place, and in the event such bond is executed by a corporate surety company, payment of the premium therefor is to be made from the same fund or appropriation prescribed in s. 19.01.

(2) **CONTINUATION OF OBLIGATION.** Unless canceled pursuant to this section, every such bond shall continue in full force and effect.

(3) **CANCELLATION OF BOND.** (a) Any city, village, town or county by their respective governing body may cancel such bond or bonds of any one employee or any number of employees by giving written notice to the surety by registered mail, such cancellation to be effective 15 days after receipt of such notice.

(b) When a surety, either personal or corporate, on such bond, shall desire to be released from such bond, the surety may give notice in writing that the surety desires to be released by giving written notice by registered mail, to the clerk of the respective city, village, town or county, and such cancellation shall be permitted if approved by the governing body thereof, such cancellation to be effective 15 days after receipt of such notice. This section shall not be construed to operate as a release of the sureties for liabilities incurred previous to the expiration of the 15 days' notice.

(c) Whenever a surety bond is canceled in the manner provided by this section, a proportional refund shall be made of the premium paid thereon.

**History:** 1979 c. 110 s. 60 (11); 1991 a. 316; 1993 a. 246.

**19.10 Oaths.** Each of the officers enumerated in s. 8.25 (4) (a) or (5) shall take and subscribe the oath of office prescribed by article IV, section 28, of the constitution, as follows: The governor and lieutenant governor, before entering upon the duties of office; the secretary of state, treasurer, attorney general, state superintendent and each district attorney, within 20 days after receiving notice of election and before entering upon the duties of office.

**History:** 1983 a. 192; 1989 a. 31; 1991 a. 39.

**19.11 Official bonds.** (1) The secretary of state and treasurer shall each furnish a bond to the state, at the time each takes and subscribes the oath of office required of that officer, conditioned for the faithful discharge of the duties of the office, and the officer's duties as a member of the board of commissioners of public lands, and in the investment of the funds arising therefrom. The bond of each of said officers shall be further conditioned for the faithful performance by all persons appointed or employed by the officer in his or her office of their duties and trusts therein, and for the delivery over to the officer's successor in office, or to any person authorized by law to receive the same, of all moneys, books, records, deeds, bonds, securities and other property and effects of whatsoever nature belonging to the officer's offices.

(2) Each of said bonds shall be subject to the approval of the governor and shall be guaranteed by resident freeholders of this state, or by a surety company as provided in s. 632.17 (2). The amount of each such bond, and the number of sureties thereon if



guaranteed by resident freeholders, shall be as follows: secretary of state, \$25,000, with sufficient sureties; and treasurer, \$100,000, with not less than 6 sureties.

(3) The treasurer shall give an additional bond when required by the governor.

(4) The governor shall require the treasurer to give additional bond, within such time, in such reasonable amount not exceeding the funds in the treasury, and with such security as the governor shall direct and approve, whenever the funds in the treasury exceed the amount of the treasurer's bond; or whenever the governor deems the treasurer's bond insufficient by reason of the insolvency, death or removal from the state of any of the sureties, or from any other cause.

**History:** 1975 c. 375 s. 44; 1991 a. 316; 2017 a. 59.

**19.12 Bond premiums payable from public funds.** Any public officer required by law to give a suretyship obligation may pay the lawful premium for the execution of the obligation out of any moneys available for the payment of expenses of the office or department, unless payment is otherwise provided for or is prohibited by law.

**History:** 1977 c. 339.

## SUBCHAPTER II

### PUBLIC RECORDS AND PROPERTY

**19.21 Custody and delivery of official property and records.** (1) Each and every officer of the state, or of any county, town, city, village, school district, or other municipality or district, is the legal custodian of and shall safely keep and preserve all property and things received from the officer's predecessor or other persons and required by law to be filed, deposited, or kept in the officer's office, or which are in the lawful possession or control of the officer or the officer's deputies, or to the possession or control of which the officer or the officer's deputies may be lawfully entitled, as such officers.

(2) Upon the expiration of each such officer's term of office, or whenever the office becomes vacant, the officer, or on the officer's death the officer's legal representative, shall on demand deliver to the officer's successor all such property and things then in the officer's custody, and the officer's successor shall receipt therefor to said officer, who shall file said receipt, as the case may be, in the office of the secretary of state, county clerk, town clerk, city clerk, village clerk, school district clerk, or clerk or other secretarial officer of the municipality or district, respectively; but if a vacancy occurs before such successor is qualified, such property and things shall be delivered to and be receipted for by such secretary or clerk, respectively, on behalf of the successor, to be delivered to such successor upon the latter's receipt.

(3) Any person who violates this section shall, in addition to any other liability or penalty, civil or criminal, forfeit not less than \$25 nor more than \$2,000; such forfeiture to be enforced by a civil action on behalf of, and the proceeds to be paid into the treasury of the state, municipality, or district, as the case may be.

(4) (a) Any city council, village board or town board may provide by ordinance for the destruction of obsolete public records. Prior to the destruction at least 60 days' notice in writing of such destruction shall be given the historical society which shall preserve any such records it determines to be of historical interest. The historical society may, upon application, waive such notice. No assessment roll containing forest crop acreage may be destroyed without prior approval of the secretary of revenue. This paragraph does not apply to school records of a 1st class city school district.

(b) The period of time any town, city or village public record is kept before destruction shall be as prescribed by ordinance unless a specific period of time is provided by statute. The period prescribed in the ordinance may not be less than 2 years with respect to water stubs, receipts of current billings and customer's

ledgers of any municipal utility, and 7 years for other records unless a shorter period has been fixed by the public records board under s. 16.61 (3) (e) and except as provided under sub. (7). This paragraph does not apply to school records of a 1st class city school district.

(c) Any local governmental unit or agency may provide for the keeping and preservation of public records kept by that governmental unit through the use of microfilm or another reproductive device, optical imaging or electronic formatting. A local governmental unit or agency shall make such provision by ordinance or resolution. Any such action by a subunit of a local governmental unit or agency shall be in conformity with the action of the unit or agency of which it is a part. Any photographic reproduction of a record authorized to be reproduced under this paragraph is deemed an original record for all purposes if it meets the applicable standards established in ss. 16.61 (7) and 16.612. This paragraph does not apply to public records kept by counties electing to be governed by ch. 228.

(cm) Paragraph (c) does not apply to court records kept by a clerk of circuit court and subject to SCR chapter 72.

(5) (a) Any county having a population of 750,000 or more may provide by ordinance for the destruction of obsolete public records, except for court records subject to SCR chapter 72.

(b) Any county having a population of less than 750,000 may provide by ordinance for the destruction of obsolete public records, subject to s. 59.52 (4) (b) and (c), except for court records governed by SCR chapter 72.

(c) The period of time any public record shall be kept before destruction shall be determined by ordinance except that in all counties the specific period of time expressed within s. 7.23 or 59.52 (4) (a) or any other law requiring a specific retention period shall apply. The period of time prescribed in the ordinance for the destruction of all records not governed by s. 7.23 or 59.52 (4) (a) or any other law prescribing a specific retention period may not be less than 7 years, unless a shorter period is fixed by the public records board under s. 16.61 (3) (e).

(d) 1. Except as provided in subd. 2., prior to any destruction of records under this subsection, except those specified within s. 59.52 (4) (a), at least 60 days' notice of such destruction shall be given in writing, to the historical society, which may preserve any records it determines to be of historical interest. Notice is not required for any records for which destruction has previously been approved by the historical society or in which the society has indicated that it has no interest for historical purposes. Records which have a confidential character while in the possession of the original custodian shall retain such confidential character after transfer to the historical society unless the director of the historical society, with the concurrence of the original custodian, determines that such records shall be made accessible to the public under such proper and reasonable rules as the historical society promulgates.

2. Subdivision 1. does not apply to patient health care records, as defined in s. 146.81 (4), that are in the custody or control of a local health department, as defined in s. 250.01 (4).

(e) The county board of any county may provide, by ordinance, a program for the keeping, preservation, retention and disposition of public records including the establishment of a committee on public records and may institute a records management service for the county and may appropriate funds to accomplish such purposes.

(f) District attorney records are state records and are subject to s. 978.07.

(6) A school district may provide for the destruction of obsolete school records. Prior to any such destruction, at least 60 days' notice in writing of such destruction shall be given to the historical society, which shall preserve any records it determines to be of historical interest. The historical society may, upon application, waive the notice. The period of time a school district record shall be kept before destruction shall be not less than 7 years, unless a shorter period is fixed by the public records board under s. 16.61



(3) (e) and except as provided under sub. (7). This section does not apply to pupil records under s. 118.125.

(7) Notwithstanding any minimum period of time for retention set under s. 16.61 (3) (e), any taped recording of a meeting, as defined in s. 19.82 (2), by any governmental body, as defined under s. 19.82 (1), of a city, village, town or school district may be destroyed no sooner than 90 days after the minutes have been approved and published if the purpose of the recording was to make minutes of the meeting.

(8) Any metropolitan sewerage commission created under ss. 200.21 to 200.65 may provide for the destruction of obsolete commission records. No record of the metropolitan sewerage district may be destroyed except by action of the commission specifically authorizing the destruction of that record. Prior to any destruction of records under this subsection, the commission shall give at least 60 days' prior notice of the proposed destruction to the state historical society, which may preserve records it determines to be of historical interest. Upon the application of the commission, the state historical society may waive this notice. Except as provided under sub. (7), the commission may only destroy a record under this subsection after 7 years elapse from the date of the record's creation, unless a shorter period is fixed by the public records board under s. 16.61 (3) (e).

**History:** 1971 c. 215; 1975 c. 41 s. 52; 1977 c. 202; 1979 c. 35, 221; 1981 c. 191, 282, 335; 1981 c. 350 s. 13; 1981 c. 391; 1983 a. 532; 1985 a. 180 ss. 22, 30m; 1985 a. 225; 1985 a. 332 s. 251 (1); Sup. Ct. Order, 136 Wis. 2d xi (1987); 1987 a. 147 ss. 20, 25; 1989 a. 248; 1991 a. 39, 185, 316; 1993 a. 27, 60, 172; 1995 a. 27, 201; 1999 a. 150 s. 672; 2017 a. 207 s. 5.

Sub. (1) provides that a police chief, as an officer of a municipality, is the legal custodian of all records of that officer's department. *Town of LaGrange v. Auchinleck*, 216 Wis. 2d 84, 573 N.W.2d 232 (Ct. App. 1997), 96–3313.

This section relates to records retention and is not a part of the public records law. An agency's alleged failure to keep sought-after records may not be attacked under the public records law. *Gehl v. Connors*, 2007 WI App 238, 306 Wis. 2d 247, 742 N.W.2d 530, 06–2455.

Under sub. (1), district attorneys must indefinitely preserve papers of a documentary nature evidencing activities of prosecutor's office. 68 Att'y. Gen. 17.

A county with a population under 500,000 [now 750,000] may by ordinance under s. 19.21 (6), [now s. 19.21 (5)] provide for the destruction of obsolete case records maintained by the county social services agency under s. 48.59 (1). 70 Att'y. Gen. 196.

A VTAE (technical college) district is a "school district" under s. 19.21 (7) [now s. 19.21 (6)]. 71 Att'y. Gen. 9.

**19.22 Proceedings to compel the delivery of official property.** (1) If any public officer refuses or neglects to deliver to his or her successor any official property or things as required in s. 19.21, or if the property or things shall come to the hands of any other person who refuses or neglects, on demand, to deliver them to the successor in the office, the successor may make complaint to any circuit judge for the county where the person refusing or neglecting resides. If the judge is satisfied by the oath of the complainant and other testimony as may be offered that the property or things are withheld, the judge shall grant an order directing the person so refusing to show cause, within some short and reasonable time, why the person should not be compelled to deliver the property or things.

(2) At the time appointed, or at any other time to which the matter may be adjourned, upon due proof of service of the order issued under sub. (1), if the person complained against makes affidavit before the judge that the person has delivered to the person's successor all of the official property and things in the person's custody or possession pertaining to the office, within the person's knowledge, the person complained against shall be discharged and all further proceedings in the matter before the judge shall cease.

(3) If the person complained against does not make such affidavit the matter shall proceed as follows:

(a) The judge shall inquire further into the matters set forth in the complaint, and if it appears that any such property or things are withheld by the person complained against the judge shall by warrant commit the person complained against to the county jail, there to remain until the delivery of such property and things to the complainant or until the person complained against be otherwise discharged according to law.

(b) If required by the complainant the judge shall also issue a warrant, directed to the sheriff or any constable of the county, commanding the sheriff or constable in the daytime to search such places as shall be designated in such warrant for such official property and things as were in the custody of the officer whose term of office expired or whose office became vacant, or of which the officer was the legal custodian, and seize and bring them before the judge issuing such warrant.

(c) When any such property or things are brought before the judge by virtue of such warrant, the judge shall inquire whether the same pertain to such office, and if it thereupon appears that the property or things pertain thereto the judge shall order the delivery of the property or things to the complainant.

**History:** 1977 c. 449; 1991 a. 316; 1993 a. 213.

**19.23 Transfer of records or materials to historical society.** (1) Any public records, in any state office, that are not required for current use may, in the discretion of the public records board, be transferred into the custody of the historical society, as provided in s. 16.61.

(2) The proper officer of any county, city, village, town, school district or other local governmental unit, may under s. 44.09 (1) offer title and transfer custody to the historical society of any records deemed by the society to be of permanent historical importance.

(3) The proper officer of any court may, on order of the judge of that court, transfer to the historical society title to such court records as have been photographed or microphotographed or which have been on file for at least 75 years, and which are deemed by the society to be of permanent historical value.

(4) Any other articles or materials which are of historic value and are not required for current use may, in the discretion of the department or agency where such articles or materials are located, be transferred into the custody of the historical society as trustee for the state, and shall thereupon become part of the permanent collections of said society.

**History:** 1975 c. 41 s. 52; 1981 c. 350 s. 13; 1985 a. 180 s. 30m; 1987 a. 147 s. 25; 1991 a. 226; 1995 a. 27.

**19.24 Refusal to deliver money, etc., to successor.** Any public officer whatever, in this state, who shall, at the expiration of the officer's term of office, refuse or willfully neglect to deliver, on demand, to the officer's successor in office, after such successor shall have been duly qualified and be entitled to said office according to law, all moneys, records, books, papers or other property belonging to the office and in the officer's hands or under the officer's control by virtue thereof, shall be imprisoned not more than 6 months or fined not more than \$100.

**History:** 1991 a. 316.

**19.25 State officers may require searches, etc., without fees.** The secretary of state, treasurer and attorney general, respectively, are authorized to require searches in the respective offices of each other and in the offices of the clerk of the supreme court, of the court of appeals, of the circuit courts, of the registers of deeds for any papers, records or documents necessary to the discharge of the duties of their respective offices, and to require copies thereof and extracts therefrom without the payment of any fee or charge whatever.

**History:** 1977 c. 187, 449.

**19.31 Declaration of policy.** In recognition of the fact that a representative government is dependent upon an informed electorate, it is declared to be the public policy of this state that all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those officers and employees who represent them. Further, providing persons with such information is declared to be an essential function of a representative government and an integral part of the routine duties of officers and employees whose responsibility it is to provide such information. To that end, ss. 19.32 to 19.37 shall be construed in every instance with a presumption of complete public access, con-

sistent with the conduct of governmental business. The denial of public access generally is contrary to the public interest, and only in an exceptional case may access be denied.

**History:** 1981 c. 335, 391.

An agency cannot promulgate an administrative rule that creates an exception to the open records law. *Chavala v. Bubolz*, 204 Wis. 2d 82, 552 N.W.2d 892 (Ct. App. 1996), 95–3120.

Although the requester referred to the federal freedom of information act, a letter that clearly described open records and had all the earmarks of an open records request was in fact an open records request and triggered, at minimum, a duty to respond. *ECO, Inc. v. City of Elkhorn*, 2002 WI App 302, 259 Wis. 2d 276, 655 N.W.2d 510, 02–0216.

The public records law addresses the duty to disclose records; it does not address the duty to retain records. An agency's alleged failure to keep sought-after records may not be attacked under the public records law. Section 19.21 relates to records retention and is not a part of the public records law. *Gehl v. Connors*, 2007 WI App 238, 306 Wis. 2d 247, 742 N.W.2d 530, 06–2455.

The Wisconsin public records law. 67 MLR 65 (1983).

Municipal responsibility under the Wisconsin revised public records law. *Maloney*. WBB Jan. 1983.

The public records law and the Wisconsin department of revenue. *Boykoff*. WBB Dec. 1983.

The Wis. open records act: an update on issues. *Trubek and Foley*. WBB Aug. 1986.

Toward a More Open and Accountable Government: A Call For Optimal Disclosure Under the Wisconsin Open Records Law. *Roang*. 1994 WLR 719.

Wisconsin's Public-Records Law: Preserving the Presumption of Complete Public Access in the Age of Electronic Records. *Holcomb & Isaac*. 2008 WLR 515.

Getting the Best of Both Worlds: Open Government and Economic Development. *Westerberg*. Wis. Law. Feb. 2009.

### 19.32 Definitions. As used in ss. 19.32 to 19.39:

(1) "Authority" means any of the following having custody of a record: a state or local office, elective official, agency, board, commission, committee, council, department or public body corporate and politic created by the constitution or by any law, ordinance, rule or order; a governmental or quasi-governmental corporation except for the Bradley center sports and entertainment corporation; a special purpose district; any court of law; the assembly or senate; a nonprofit corporation which receives more than 50 percent of its funds from a county or a municipality, as defined in s. 59.001 (3), and which provides services related to public health or safety to the county or municipality; a university police department under s. 175.42; or a formally constituted subunit of any of the foregoing.

(1b) "Committed person" means a person who is committed under ch. 51, 971, 975 or 980 and who is placed in an inpatient treatment facility, during the period that the person's placement in the inpatient treatment facility continues.

(1bd) "Elective official" means an individual who holds an office that is regularly filled by vote of the people.

(1bg) "Employee" means any individual who is employed by an authority, other than an individual holding local public office or a state public office, or any individual who is employed by an employer other than an authority.

(1c) "Incarcerated person" means a person who is incarcerated in a penal facility or who is placed on probation and given confinement under s. 973.09 (4) as a condition of placement, during the period of confinement for which the person has been sentenced.

(1d) "Inpatient treatment facility" means any of the following:

- (a) A mental health institute, as defined in s. 51.01 (12).
- (c) A facility or unit for the institutional care of sexually violent persons specified under s. 980.065.
- (d) The Milwaukee County mental health complex established under s. 51.08.

(1de) "Local governmental unit" has the meaning given in s. 19.42 (7u).

(1dm) "Local public office" has the meaning given in s. 19.42 (7w), and also includes any appointive office or position of a local governmental unit in which an individual serves as the head of a department, agency, or division of the local governmental unit, but does not include any office or position filled by a municipal employee, as defined in s. 111.70 (1) (i).

(1e) "Penal facility" means a state prison under s. 302.01, county jail, county house of correction or other state, county or municipal correctional or detention facility.

(1m) "Person authorized by the individual" means the parent, guardian, as defined in s. 48.02 (8), or legal custodian, as defined in s. 48.02 (11), of an individual who is a child, as defined in s. 48.02 (2); the guardian of an individual adjudicated incompetent in this state; the personal representative or spouse of an individual who is deceased; or any person authorized, in writing, by an individual to act on his or her behalf.

(1r) "Personally identifiable information" has the meaning specified in s. 19.62 (5).

(2) "Record" means any material on which written, drawn, printed, spoken, visual, or electromagnetic information or electronically generated or stored data is recorded or preserved, regardless of physical form or characteristics, that has been created or is being kept by an authority. "Record" includes, but is not limited to, handwritten, typed, or printed pages, maps, charts, photographs, films, recordings, tapes, optical discs, and any other medium on which electronically generated or stored data is recorded or preserved. "Record" does not include drafts, notes, preliminary computations, and like materials prepared for the originator's personal use or prepared by the originator in the name of a person for whom the originator is working; materials that are purely the personal property of the custodian and have no relation to his or her office; materials to which access is limited by copyright, patent, or bequest; and published materials in the possession of an authority other than a public library that are available for sale, or that are available for inspection at a public library.

(2g) "Record subject" means an individual about whom personally identifiable information is contained in a record.

(3) "Requester" means any person who requests inspection or copies of a record, except a committed or incarcerated person, unless the person requests inspection or copies of a record that contains specific references to that person or his or her minor children for whom he or she has not been denied physical placement under ch. 767, and the record is otherwise accessible to the person by law.

(3m) "Special purpose district" means a district, other than a state governmental unit or a county, city, village, or town, that is created to perform a particular function and whose geographic jurisdiction is limited to some portion of this state.

(4) "State public office" has the meaning given in s. 19.42 (13), but does not include a position identified in s. 20.923 (6) (f) to (gm).

**History:** 1981 c. 335; 1985 a. 26, 29, 332; 1987 a. 305; 1991 a. 39, 1991 a. 269 ss. 26pd, 33b; 1993 a. 215, 263, 491; 1995 a. 158; 1997 a. 79, 94; 1999 a. 9; 2001 a. 16; 2003 a. 47; 2005 a. 387; 2007 a. 20; 2013 a. 171, 265; 2015 a. 195, 196.

**NOTE:** 2003 Wis. Act 47, which affects this section, contains extensive explanatory notes.

A study commissioned by the corporation counsel and used in various ways was not a "draft" under sub. (2), although it was not in final form. A document prepared other than for the originator's personal use, although in preliminary form or marked "draft," is a record. *Fox v. Bock*, 149 Wis. 2d 403, 438 N.W.2d 589 (1989).

A settlement agreement containing a pledge of confidentiality and kept in the possession of a school district's attorney was a public record subject to public access. *Journal/Sentinel v. Shorewood School Bd.* 186 Wis. 2d 443, 521 N.W.2d 165 (Ct. App. 1994).

Individuals confined as sexually violent persons under ch. 980 are not "incarcerated" under sub. (1c). *Klein v. Wisconsin Resource Center*, 218 Wis. 2d 487, 582 N.W.2d 44 (Ct. App. 1998), 97–0679.

A nonprofit corporation that receives 50 percent of its funds from a municipality or county is an authority under sub. (1) regardless of the source from which the municipality or county obtained those funds. *Cavey v. Walrath*, 229 Wis. 2d 105, 598 N.W.2d 240 (Ct. App. 1999), 98–0072.

A person aggrieved by a request made under the open records law has standing to raise a challenge that the requested materials are not records because they fall within the exception for copyrighted material under sub. (2). Under the facts of this case, the language of sub. (2), when viewed in light of the fair use exception to copyright infringement, applied so that the disputed materials were records within the statutory definition. *Zellner v. Cedarburg School District*, 2007 WI 53, 300 Wis. 2d 290, 731 N.W.2d 240, 06–1143.

"Record" in sub. (2) and s. 19.35 (5) does not include identical copies of otherwise available records. A copy that is not different in some meaningful way from an original, regardless of the form of the original, is an identical copy. If a copy differs in some significant way for purposes of responding to an open records request, then it is not truly an identical copy, but instead a different record. *Stone v. Board of Regents*

of the University of Wisconsin, 2007 WI App 223, 305 Wis. 2d 679, 741 N.W.2d 774, 06–2537.

A municipality's independent contractor assessor was not an authority under sub. (1) and was not a proper recipient of an open records request. In this case, only the municipalities themselves were the "authorities" for purposes of the open records law. Accordingly, only the municipalities were proper recipients of the relevant open records requests. *WIREdata, Inc. v. Village of Sussex*, 2008 WI 69, 310 Wis. 2d 397, 751 N.W.2d 736, 05–1473.

A corporation is quasi-governmental if, based on the totality of circumstances, it resembles a governmental corporation in function, effect, or status, requiring a case-by-case analysis. Here, a primary consideration was that the body was funded exclusively by public tax dollars or interest thereon. Additionally, its office was located in the municipal building, it was listed on the city Web site, the city provided it with clerical support and office supplies, all its assets revert to the city if it ceases to exist, its books are open for city inspection, the mayor and another city official are directors, and it had no clients other than the city. *State v. Beaver Dam Area Development Corporation*, 2008 WI 90, 312 Wis. 2d 84, 752 N.W.2d 295, 06–0662.

Employees' personal emails were not subject to disclosure in this case. *Schill v. Wisconsin Rapids School District*, 2010 WI 86, 327 Wis. 2d 572, 786 N.W.2d 177, 08–0967.

Redacted portions of emails, who sent the emails, and where they were sent from were not "purely personal" and therefore subject to disclosure. Public awareness of who is attempting to influence public policy is essential for effective oversight of our government. Whether a communication is sent to a public official from a source that appears associated with a particular unit of government, a private entity, or a nonprofit organization, or from individuals who may be associated with a specific interest or particular area of the state, from where a communication is sent further assists the public in understanding who is attempting to influence public policy and why. *The John K. MacIver Institute for Public Policy, Inc. v. Erpenbach*, 2014 WI App 49, 354 Wis. 2d 61, 848 N.W.2d 862, 13–1187.

To be a "quasi-governmental corporation" under sub. (1) an entity must first be a corporation. To hold that the term "quasi-governmental corporation" includes an entity that is not a corporation would effectively rewrite the statute to eliminate the legislature's use of the word corporation. *Wisconsin Professional Police Association, Inc. v. Wisconsin Counties Association*, 2014 WI App 106, 357 Wis. 2d 687, 855 N.W.2d 715, 14–0249.

"Notes" in sub. (2) covers a broad range of frequently created, informal writings. Documents found to be notes in this case were mostly handwritten and at times barely legible. They included copies of post-it notes and telephone message slips, and in other ways appeared to reflect hurried, fragmentary, and informal writing. A few documents were in the form of draft letters, but were created for and used by the originators as part of their preparation for, or as part of their processing after, interviews that they conducted. *The Voice of Wisconsin Rapids, LLC v. Wisconsin Rapids Public School District*, 2015 WI App 53, 364 Wis. 2d 429, 867 N.W.2d 825, 14–1256.

The exception from the definition of "record" in sub. (2) of notes "prepared for the originator's personal use" may apply to notes that are created or used in connection with government work and with a governmental purpose. *The Voice of Wisconsin Rapids, LLC v. Wisconsin Rapids Public School District*, 2015 WI App 53, 364 Wis. 2d 429, 867 N.W.2d 825, 14–1256.

A district attorney is employed by an authority and holds a state public office and therefore is not an "employee" within the meaning of sub. (1)(b). *Moustakis v. Department of Justice*, 2016 WI 42, 368 Wis. 2d 677, 880 N.W.2d 142, 14–1853.

"Records" must have some relation to the functions of the agency. 72 Atty. Gen. 99.

The treatment of drafts under the public records law is discussed. 77 Atty. Gen. 100.

Applying Open Records Policy to Wisconsin District Attorneys: Can Charging Guidelines Promote Public Awareness? Mayer. 1996 WLR 295.

**19.33 Legal custodians.** (1) An elective official is the legal custodian of his or her records and the records of his or her office, but the official may designate an employee of his or her staff to act as the legal custodian.

(2) The chairperson of a committee of elective officials, or the designee of the chairperson, is the legal custodian of the records of the committee.

(3) The cochairpersons of a joint committee of elective officials, or the designee of the cochairpersons, are the legal custodians of the records of the joint committee.

(4) Every authority not specified in subs. (1) to (3) shall designate in writing one or more positions occupied by an officer or employee of the authority or the unit of government of which it is a part as a legal custodian to fulfill its duties under this subchapter. In the absence of a designation the authority's highest ranking officer and the chief administrative officer, if any, are the legal custodians for the authority. The legal custodian shall be vested by the authority with full legal power to render decisions and carry out the duties of the authority under this subchapter. Each authority shall provide the name of the legal custodian and a description of the nature of his or her duties under this subchapter to all employees of the authority entrusted with records subject to the legal custodian's supervision.

(5) Notwithstanding sub. (4), if an authority specified in sub. (4) or the members of such an authority are appointed by another

authority, the appointing authority may designate a legal custodian for records of the authority or members of the authority appointed by the appointing authority, except that if such an authority is attached for administrative purposes to another authority, the authority performing administrative duties shall designate the legal custodian for the authority for whom administrative duties are performed.

(6) The legal custodian of records maintained in a publicly owned or leased building or the authority appointing the legal custodian shall designate one or more deputies to act as legal custodian of such records in his or her absence or as otherwise required to respond to requests as provided in s. 19.35 (4). This subsection does not apply to members of the legislature or to members of any local governmental body.

(7) The designation of a legal custodian does not affect the powers and duties of an authority under this subchapter.

(8) No elective official of a legislative body has a duty to act as or designate a legal custodian under sub. (4) for the records of any committee of the body unless the official is the highest ranking officer or chief administrative officer of the committee or is designated the legal custodian of the committee's records by rule or by law.

**History:** 1981 c. 335; 2013 a. 171.

The right to privacy law, s. 895.50, [now s. 995.50] does not affect the duties of a custodian of public records under s. 19.21, 1977 stats. 68 Atty. Gen. 68.

**19.34 Procedural information; access times and locations.** (1) Each authority shall adopt, prominently display and make available for inspection and copying at its offices, for the guidance of the public, a notice containing a description of its organization and the established times and places at which, the legal custodian under s. 19.33 from whom, and the methods whereby, the public may obtain information and access to records in its custody, make requests for records, or obtain copies of records, and the costs thereof. The notice shall also separately identify each position of the authority that constitutes a local public office or a state public office. This subsection does not apply to members of the legislature or to members of any local governmental body.

(2) (a) Each authority which maintains regular office hours at the location where records in the custody of the authority are kept shall permit access to the records of the authority at all times during those office hours, unless otherwise specifically authorized by law.

(b) Each authority which does not maintain regular office hours at the location where records in the custody of the authority are kept shall:

1. Permit access to its records upon at least 48 hours' written or oral notice of intent to inspect or copy a record; or

2. Establish a period of at least 2 consecutive hours per week during which access to the records of the authority is permitted. In such case, the authority may require 24 hours' advance written or oral notice of intent to inspect or copy a record.

(c) An authority imposing a notice requirement under par. (b) shall include a statement of the requirement in its notice under sub. (1), if the authority is required to adopt a notice under that subsection.

(d) If a record of an authority is occasionally taken to a location other than the location where records of the authority are regularly kept, and the record may be inspected at the place at which records of the authority are regularly kept upon one business day's notice, the authority or legal custodian of the record need not provide access to the record at the occasional location.

**History:** 1981 c. 335; 2003 a. 47; 2013 a. 171.

**NOTE:** 2003 Wis. Act 47, which affects this section, contains extensive explanatory notes.

**19.345 Time computation.** In ss. 19.33 to 19.39, when a time period is provided for performing an act, whether the period is expressed in hours or days, the whole of Saturday, Sunday, and



any legal holiday, from midnight to midnight, shall be excluded in computing the period.

History: 2003 a. 47.

NOTE: 2003 Wis. Act 47, which creates this section, contains extensive explanatory notes.

**19.35 Access to records; fees. (1) RIGHT TO INSPECTION.**

(a) Except as otherwise provided by law, any requester has a right to inspect any record. Substantive common law principles construing the right to inspect, copy or receive copies of records shall remain in effect. The exemptions to the requirement of a governmental body to meet in open session under s. 19.85 are indicative of public policy, but may be used as grounds for denying public access to a record only if the authority or legal custodian under s. 19.33 makes a specific demonstration that there is a need to restrict public access at the time that the request to inspect or copy the record is made.

(am) In addition to any right under par. (a), any requester who is an individual or person authorized by the individual has a right to inspect any personally identifiable information pertaining to the individual in a record containing personally identifiable information that is maintained by an authority and to make or receive a copy of any such information. The right to inspect or copy information in a record under this paragraph does not apply to any of the following:

1. Any record containing personally identifiable information that is collected or maintained in connection with a complaint, investigation or other circumstances that may lead to an enforcement action, administrative proceeding, arbitration proceeding or court proceeding, or any such record that is collected or maintained in connection with such an action or proceeding.

2. Any record containing personally identifiable information that, if disclosed, would do any of the following:

- a. Endanger an individual's life or safety.
- b. Identify a confidential informant.
- c. Endanger the security, including the security of the population or staff, of any state prison under s. 302.01, jail, as defined in s. 165.85 (2) (bg), juvenile correctional facility, as defined in s. 938.02 (10p), secured residential care center for children and youth, as defined in s. 938.02 (15g), mental health institute, as defined in s. 51.01 (12), center for the developmentally disabled, as defined in s. 51.01 (3), or facility, specified under s. 980.065, for the institutional care of sexually violent persons.
- d. Compromise the rehabilitation of a person in the custody of the department of corrections or detained in a jail or facility identified in subd. 2. c.

2m. The actual address, as defined in s. 165.68 (1) (b), of a participant in the program established in s. 165.68.

3. Any record that is part of a records series, as defined in s. 19.62 (7), that is not indexed, arranged or automated in a way that the record can be retrieved by the authority maintaining the records series by use of an individual's name, address or other identifier.

(b) Except as otherwise provided by law, any requester has a right to inspect a record and to make or receive a copy of a record. If a requester appears personally to request a copy of a record that permits copying, the authority having custody of the record may, at its option, permit the requester to copy the record or provide the requester with a copy substantially as readable as the original.

(c) Except as otherwise provided by law, any requester has a right to receive from an authority having custody of a record which is in the form of a comprehensible audio recording a copy of the recording substantially as audible as the original. The authority may instead provide a transcript of the recording to the requester if he or she requests.

(d) Except as otherwise provided by law, any requester has a right to receive from an authority having custody of a record which is in the form of a video recording a copy of the recording substantially as good as the original.

(e) Except as otherwise provided by law, any requester has a right to receive from an authority having custody of a record which is not in a readily comprehensible form a copy of the information contained in the record assembled and reduced to written form on paper.

(em) If an authority receives a request to inspect or copy a record that is in handwritten form or a record that is in the form of a voice recording which the authority is required to withhold or from which the authority is required to delete information under s. 19.36 (8) (b) because the handwriting or the recorded voice would identify an informant, the authority shall provide to the requester, upon his or her request, a transcript of the record or the information contained in the record if the record or information is otherwise subject to public inspection and copying under this subsection.

(f) Notwithstanding par. (b) and except as otherwise provided by law, any requester has a right to inspect any record not specified in pars. (c) to (e) the form of which does not permit copying. If a requester requests permission to photograph the record, the authority having custody of the record may permit the requester to photograph the record. If a requester requests that a photograph of the record be provided, the authority shall provide a good quality photograph of the record.

(g) Paragraphs (a) to (c), (e) and (f) do not apply to a record which has been or will be promptly published with copies offered for sale or distribution.

(h) A request under pars. (a) to (f) is deemed sufficient if it reasonably describes the requested record or the information requested. However, a request for a record without a reasonable limitation as to subject matter or length of time represented by the record does not constitute a sufficient request. A request may be made orally, but a request must be in writing before an action to enforce the request is commenced under s. 19.37.

(i) Except as authorized under this paragraph, no request under pars. (a) and (b) may be refused because the person making the request is unwilling to be identified or to state the purpose of the request. Except as authorized under this paragraph, no request under pars. (a) to (f) may be refused because the request is received by mail, unless prepayment of a fee is required under sub. (3) (f). A requester may be required to show acceptable identification whenever the requested record is kept at a private residence or whenever security reasons or federal law or regulations so require.

(j) Notwithstanding pars. (a) to (f), a requester shall comply with any regulations or restrictions upon access to or use of information which are specifically prescribed by law.

(k) Notwithstanding pars. (a), (am), (b) and (f), a legal custodian may impose reasonable restrictions on the manner of access to an original record if the record is irreplaceable or easily damaged.

(L) Except as necessary to comply with pars. (c) to (e) or s. 19.36 (6), this subsection does not require an authority to create a new record by extracting information from existing records and compiling the information in a new format.

(2) FACILITIES. The authority shall provide any person who is authorized to inspect or copy a record under sub. (1) (a), (am), (b) or (f) with facilities comparable to those used by its employees to inspect, copy and abstract the record during established office hours. An authority is not required by this subsection to purchase or lease photocopying, duplicating, photographic or other equipment or to provide a separate room for the inspection, copying or abstracting of records.

(3) FEES. (a) An authority may impose a fee upon the requester of a copy of a record which may not exceed the actual, necessary and direct cost of reproduction and transcription of the record, unless a fee is otherwise specifically established or authorized to be established by law.

(b) Except as otherwise provided by law or as authorized to be prescribed by law an authority may impose a fee upon the

requester of a copy of a record that does not exceed the actual, necessary and direct cost of photographing and photographic processing if the authority provides a photograph of a record, the form of which does not permit copying.

(c) Except as otherwise provided by law or as authorized to be prescribed by law, an authority may impose a fee upon a requester for locating a record, not exceeding the actual, necessary and direct cost of location, if the cost is \$50 or more.

(d) An authority may impose a fee upon a requester for the actual, necessary and direct cost of mailing or shipping of any copy or photograph of a record which is mailed or shipped to the requester.

(e) An authority may provide copies of a record without charge or at a reduced charge where the authority determines that waiver or reduction of the fee is in the public interest.

(f) An authority may require prepayment by a requester of any fee or fees imposed under this subsection if the total amount exceeds \$5. If the requester is a prisoner, as defined in s. 301.01 (2), or is a person confined in a federal correctional institution located in this state, and he or she has failed to pay any fee that was imposed by the authority for a request made previously by that requester, the authority may require prepayment both of the amount owed for the previous request and the amount owed for the current request.

(g) Notwithstanding par. (a), if a record is produced or collected by a person who is not an authority pursuant to a contract entered into by that person with an authority, the authorized fees for obtaining a copy of the record may not exceed the actual, necessary, and direct cost of reproduction or transcription of the record incurred by the person who makes the reproduction or transcription, unless a fee is otherwise established or authorized to be established by law.

**(4) TIME FOR COMPLIANCE AND PROCEDURES.** (a) Each authority, upon request for any record, shall, as soon as practicable and without delay, either fill the request or notify the requester of the authority's determination to deny the request in whole or in part and the reasons therefor.

(b) If a request is made orally, the authority may deny the request orally unless a demand for a written statement of the reasons denying the request is made by the requester within 5 business days of the oral denial. If an authority denies a written request in whole or in part, the requester shall receive from the authority a written statement of the reasons for denying the request. Every written denial of a request by an authority shall inform the requester that if the request for the record was made in writing, then the determination is subject to review by mandamus under s. 19.37 (1) or upon application to the attorney general or a district attorney.

(c) If an authority receives a request under sub. (1) (a) or (am) from an individual or person authorized by the individual who identifies himself or herself and states that the purpose of the request is to inspect or copy a record containing personally identifiable information pertaining to the individual that is maintained by the authority, the authority shall deny or grant the request in accordance with the following procedure:

1. The authority shall first determine if the requester has a right to inspect or copy the record under sub. (1) (a).

2. If the authority determines that the requester has a right to inspect or copy the record under sub. (1) (a), the authority shall grant the request.

3. If the authority determines that the requester does not have a right to inspect or copy the record under sub. (1) (a), the authority shall then determine if the requester has a right to inspect or copy the record under sub. (1) (am) and grant or deny the request accordingly.

**(5) RECORD DESTRUCTION.** No authority may destroy any record at any time after the receipt of a request for inspection or copying of the record under sub. (1) until after the request is

granted or until at least 60 days after the date that the request is denied or, if the requester is a committed or incarcerated person, until at least 90 days after the date that the request is denied. If an authority receives written notice that an action relating to a record has been commenced under s. 19.37, the record may not be destroyed until after the order of the court in relation to such record is issued and the deadline for appealing that order has passed, or, if appealed, until after the order of the court hearing the appeal is issued. If the court orders the production of any record and the order is not appealed, the record may not be destroyed until after the request for inspection or copying is granted.

**(6) ELECTIVE OFFICIAL RESPONSIBILITIES.** No elective official is responsible for the record of any other elective official unless he or she has possession of the record of that other official.

**(7) LOCAL INFORMATION TECHNOLOGY AUTHORITY RESPONSIBILITY FOR LAW ENFORCEMENT RECORDS.** (a) In this subsection:

1. "Law enforcement agency" has the meaning given s. 165.83 (1) (b).

2. "Law enforcement record" means a record that is created or received by a law enforcement agency and that relates to an investigation conducted by a law enforcement agency or a request for a law enforcement agency to provide law enforcement services.

3. "Local information technology authority" means a local public office or local governmental unit whose primary function is information storage, information technology processing, or other information technology usage.

(b) For purposes of requests for access to records under sub. (1), a local information technology authority that has custody of a law enforcement record for the primary purpose of information storage, information technology processing, or other information technology usage is not the legal custodian of the record. For such purposes, the legal custodian of a law enforcement record is the authority for which the record is stored, processed, or otherwise used.

(c) A local information technology authority that receives a request under sub. (1) for access to information in a law enforcement record shall deny any portion of the request that relates to information in a local law enforcement record.

**History:** 1981 c. 335, 391; 1991 a. 39, 1991 a. 269 ss. 34am, 40am; 1993 a. 93; 1995 a. 77, 158; 1997 a. 94, 133; 1999 a. 9; 2001 a. 16; 2005 a. 344; 2009 a. 259, 370; 2013 a. 171; 2015 a. 356.

**NOTE:** The following annotations relate to public records statutes in effect prior to the creation of s. 19.35 by ch. 335, laws of 1981.

A mandamus petition to inspect a county hospital's statistical, administrative, and other records not identifiable with individual patients, states a cause of action under this section. *State ex rel. Dalton v. Mundy*, 80 Wis. 2d 190, 257 N.W.2d 877 (1977).

Police daily arrest lists must be open for public inspection. *Newspapers, Inc. v. Breier*, 89 Wis. 2d 417, 279 N.W.2d 179 (1979).

This section is a statement of the common law rule that public records are open to public inspection subject to common law limitations. Section 59.14 [now s. 59.20 (3)] is a legislative declaration granting persons who come under its coverage an absolute right of inspection subject only to reasonable administrative regulations. *State ex rel. Bilder v. Town of Delavan*, 112 Wis. 2d 539, 334 N.W.2d 252 (1983).

A newspaper had the right to intervene to protect its right to examine sealed court files. *State ex rel. Bilder v. Town of Delavan*, 112 Wis. 2d 539, 334 N.W.2d 252 (1983).

Examination of birth records cannot be denied simply because the examiner has a commercial purpose. 58 Atty. Gen. 67.

Consideration of a resolution is a formal action of an administrative or minor governing body. When taken in a proper closed session, the resolution and result of the vote must be made available for public inspection absent a specific showing that the public interest would be adversely affected. 60 Atty. Gen. 9.

Inspection of public records obtained under official pledges of confidentiality may be denied if: 1) a clear pledge has been made in order to obtain the information; 2) the pledge was necessary to obtain the information; and 3) the custodian determines that the harm to the public interest resulting from inspection would outweigh the public interest in full access to public records. The custodian must permit inspection of information submitted under an official pledge of confidentiality if the official or agency had specific statutory authority to require its submission. 60 Atty. Gen. 284.

The right to inspection and copying of public records in decentralized offices is discussed. 61 Atty. Gen. 12.

Public records subject to inspection and copying by any person would include a list of students awaiting a particular program in a VTAE (technical college) district school. 61 Atty. Gen. 297.

The investment board can only deny members of the public from inspecting and copying portions of the minutes relating to the investment of state funds and docu-

ments pertaining thereto on a case-by-case basis if valid reasons for denial exist and are specially stated. 61 Atty. Gen. 361.

Matters and documents in the possession or control of school district officials containing information concerning the salaries, including fringe benefits, paid to individual teachers are matters of public record. 63 Atty. Gen. 143.

The department of administration probably had authority under s. 19.21 (1) and (2), 1973 stats., to provide a private corporation with camera-ready copy of session laws that is the product of a printout of computer stored public records if the costs are minimal. The state cannot contract on a continuing basis for the furnishing of this service. 63 Atty. Gen. 302.

The scope of the duty of the governor to allow members of the public to examine and copy public records in his custody is discussed. 63 Atty. Gen. 400.

The public's right to inspect land acquisition files of the department of natural resources is discussed. 63 Atty. Gen. 573.

Financial statements filed in connection with applications for motor vehicle dealers' and motor vehicle salvage dealers' licenses are public records, subject to limitations. 66 Atty. Gen. 302.

Sheriff's radio logs, intradepartmental documents kept by the sheriff, and blood test records of deceased automobile drivers in the hands of the sheriff are public records, subject to limitations. 67 Atty. Gen. 12.

Plans and specifications filed under s. 101.12 are public records and are available for public inspection. 67 Atty. Gen. 214.

Under s. 19.21 (1), district attorneys must indefinitely preserve papers of a documentary nature evidencing activities of prosecutor's office. 68 Atty. Gen. 17.

The right to examine and copy computer-stored information is discussed. 68 Atty. Gen. 231.

After the transcript of court proceedings is filed with the clerk of court, any person may examine or copy the transcript. 68 Atty. Gen. 313.

**NOTE: The following annotations relate to s. 19.35.**

Although a meeting was properly closed, in order to refuse inspection of records of the meeting, the custodian was required by sub. (1) (a) to state specific and sufficient public policy reasons why the public's interest in nondisclosure outweighed the right of inspection. *Oshkosh Northwestern Co. v. Oshkosh Library Board*, 125 Wis. 2d 480, 373 N.W.2d 459 (Ct. App. 1985).

Courts must apply the open records balancing test to questions involving disclosure of court records. The public interests favoring secrecy must outweigh those favoring disclosure. *C. L. v. Edson*, 140 Wis. 2d 168, 409 N.W.2d 417 (Ct. App. 1987).

Public records germane to pending litigation were available under this section even though the discovery cutoff deadline had passed. *State ex rel. Lank v. Rzentkowski*, 141 Wis. 2d 846, 416 N.W.2d 635 (Ct. App. 1987).

To uphold a custodian's denial of access, an appellate court will inquire whether the trial court made a factual determination supported by the record of whether documents implicate a secrecy interest, and, if so, whether the secrecy interest outweighs the interests favoring release. *Milwaukee Journal v. Call*, 153 Wis. 2d 313, 450 N.W.2d 515 (Ct. App. 1989).

That releasing records would reveal a confidential informant's identity was a legally specific reason for denial of a records request. The public interest in not revealing the informant's identity outweighed the public interest in disclosure of the records. *Mayfair Chrysler-Plymouth v. Baldarotta*, 162 Wis. 2d 142, 469 N.W.2d 638 (1991).

Items subject to examination under s. 346.70 (4) (f) may not be withheld by the prosecution under a common law rule that investigative material may be withheld from a criminal defendant. *State ex rel. Young v. Shaw*, 165 Wis. 2d 276, 477 N.W.2d 340 (Ct. App. 1991).

Prosecutors' files are exempt from public access under the common law. *State ex rel. Richards v. Foust*, 165 Wis. 2d 429, 477 N.W.2d 608 (1991).

Records relating to pending claims against the state under s. 893.82 need not be disclosed under s. 19.35. Records of non-pending claims must be disclosed unless an *in camera* inspection reveals that the attorney-client privilege would be violated. *George v. Record Custodian*, 169 Wis. 2d 573, 485 N.W.2d 460 (Ct. App. 1992).

The public records law confers no exemption as of right on indigents from payment of fees under sub. (3). *George v. Record Custodian*, 169 Wis. 2d 573, 485 N.W.2d 460 (Ct. App. 1992).

The denial of a prisoner's information request regarding illegal behavior by guards on the grounds that it could compromise the guards' effectiveness and subject them to harassment was insufficient. *State ex. rel. Ledford v. Turcotte*, 195 Wis. 2d 244, 536 N.W.2d 130 (Ct. App. 1995), 94-2710.

The amount of prepayment required for copies may be based on a reasonable estimate. *State ex rel. Hill v. Zimmerman*, 196 Wis. 2d 419, 538 N.W.2d 608 (Ct. App. 1995), 94-1861.

The *Foust* decision does not automatically exempt all records stored in a closed prosecutorial file. The exemption is limited to material actually pertaining to the prosecution. *Nichols v. Bennett*, 199 Wis. 2d 268, 544 N.W.2d 428 (1996), 93-2480.

Department of Regulation and Licensing test scores were subject to disclosure under the open records law. *Munroe v. Braatz*, 201 Wis. 2d 442, 549 N.W.2d 452 (Ct. App. 1996), 95-2557.

Subs. (1) (i) and (3) (f) did not permit a demand for prepayment of \$1.29 in response to a mail request for a record. *Borzycz v. Paluszczek*, 201 Wis. 2d 523, 549 N.W.2d 253 (Ct. App. 1996), 95-1711.

An agency cannot promulgate an administrative rule that creates an exception to the open records law. *Chavala v. Bubolz*, 204 Wis. 2d 82, 552 N.W.2d 892 (Ct. App. 1996), 95-3120.

While certain statutes grant explicit exceptions to the open records law, many statutes set out broad categories of records not open to an open records request. A custodian faced with such a broad statute must state with specificity a public policy reason for refusing to release the requested record. *Chavala v. Bubolz*, 204 Wis. 2d 82, 552 N.W.2d 892 (Ct. App. 1996), 95-3120.

The custodian is not authorized to comply with an open records request at some unspecified date in the future. Such a response constitutes a denial of the request. *WTMJ, Inc. v. Sullivan*, 204 Wis. 2d 452, 555 N.W.2d 125 (Ct. App. 1996), 96-0053.

Subject to the redaction of officers' home addresses and supervisors' conclusions and recommendations regarding discipline, police records regarding the use of deadly force were subject to public inspection. *State ex rel. Journal/Sentinel, Inc. v. Arreola*, 207 Wis. 2d 496, 558 N.W.2d 670 (Ct. App. 1996), 95-2956.

A public school student's interim grades are pupil records specifically exempted from disclosure under s. 118.125. If records are specifically exempted from disclosure, failure to specifically state reasons for denying an open records request for those records does not compel disclosure of those records. *State ex rel. Blum v. Board of Education*, 209 Wis. 2d 377, 565 N.W.2d 140 (Ct. App. 1997), 96-0758.

Requesting a copy of 180 hours of audiotape of "911" calls, together with a transcription of the tape and log of each transmission received, was a request without "reasonable limitation" and was not a "sufficient request" under sub. (1) (h). *Schopper v. Gehring*, 210 Wis. 2d 208, 565 N.W.2d 187 (Ct. App. 1997), 96-2782.

If the requested information is covered by an exempting statute that does not require a balancing of public interests, there is no need for a custodian to conduct such a balancing. Written denial claiming a statutory exception by citing the specific statute or regulation is sufficient. *State ex rel. Kimble*, 221 Wis. 2d 833, 586 N.W.2d 36 (Ct. App. 1998), 97-3356.

Protecting persons who supply information or opinions about an inmate to the parole commission is a public interest that may outweigh the public interest in access to documents that could identify those persons. *State ex rel. Bergmann v. Faust*, 226 Wis. 2d 273, 595 N.W.2d 75 (Ct. App. 1999), 98-2537.

Sub. (1) (b) gives the record custodian, and not the requester, the choice of how a record will be copied. The requester cannot elect to use his or her own copying equipment without the custodian's permission. *Grebner v. Schiebel*, 2001 WI App 17, 240 Wis. 2d 551, 624 N.W.2d 892, 00-1549.

Requests for university admissions records focusing on test scores, class rank, grade point average, race, gender, ethnicity, and socio-economic background was not a request for personally identifiable information, and release was not barred by federal law or public policy. That the requests would require the university to redact information from thousands of documents under s. 19.36 (6) did not essentially require the university to create new records and, as such, did not provide grounds for denying the request under s. 19.35 (1) (L). *Osborn v. Board of Regents of the University of Wisconsin System*, 2002 WI 83, 254 Wis. 2d 266, 647 N.W.2d 158, 00-2861.

The police report of a closed investigation regarding a teacher's conduct that did not lead either to an arrest, prosecution, or any administrative disciplinary action, was subject to release. *Linzmeier v. Forcey*, 2002 WI 84, 254 Wis. 2d 306, 646 N.W.2d 811, 01-0197.

When a requested item is a public record under the open records law, and there is no statutory or common law exception, the open records law applies and the presumption of openness attaches to the record. The court must then decide whether that presumption can be overcome by a public policy favoring non-disclosure of the record. The fundamental question is whether there is harm to a public interest that outweighs the public interest in inspection of the record. A balancing test is applied on a case-by-case basis. If the harm to the public interest caused by release overrides the public interest in release, the inspection of the record may be prevented in spite of the general policy of openness. *Linzmeier v. Forcey*, 2002 WI 84, 646 NW 2d 811, 254 Wis. 2d 306, 01-0197.

The John Doe statute, s. 968.26, which authorizes secrecy in John Doe proceedings, is a clear statement of legislative policy and constitutes a specific exception to the public records law. On review of a petition for a writ stemming from a secret John Doe proceeding, the court of appeals may seal parts of a record in order to comply with existing secrecy orders issued by the John Doe judge. *Unnamed Persons Numbers 1, 2, and 3 v. State*, 2003 WI 30, 260 Wis. 2d 653, 660 N.W.2d 260, 01-3220.

Sub. (1) (am) is not subject to a balancing of interests. Therefore, the exceptions to sub. (1) (am) should not be narrowly construed. A requester who does not qualify for access to records under sub. (1) (am) will always have the right to seek records under sub. (1) (a), in which case the records custodian must determine whether the requested records are subject to a statutory or common law exception, and if not whether the strong presumption favoring access and disclosure is overcome by some even stronger public policy favoring limited access or nondisclosure determined by applying a balancing test. *Hempel v. City of Baraboo*, 2005 WI 120, 284 Wis. 2d 162, 699 N.W.2d 551, 03-0500.

Sub. (1) (a) does not mandate that, when a meeting is closed under s. 19.85, all records created for or presented at the meeting are exempt from disclosure. The court must still apply the balancing test articulated in *Linzmeier*. *Zellner v. Cedarburg School District*, 2007 WI 53, 300 Wis. 2d 290, 731 N.W.2d 240, 06-1143.

A general request does not trigger the sub. (4) (c) review sequence. Sub. (4) (c) recites the procedure to be employed if an authority receives a request under sub. (1) (a) or (am). An authority is an entity having custody of a record. The definition does not include a reviewing court. *Seifert v. School District of Sheboygan Falls*, 2007 WI App 207, 305 Wis. 2d 582, 740 N.W.2d 177, 06-2071.

The open records law cannot be used to circumvent established principles that shield attorney work product, nor can it be used as a discovery tool. The presumption of access under sub. (1) (a) is defeated because the attorney work product qualifies under the "otherwise provided by law" exception. *Seifert v. School District of Sheboygan Falls*, 2007 WI App 207, 305 Wis. 2d 582, 740 N.W.2d 177, 06-2071.

Sub. (1) (am) 1. plainly allows a records custodian to deny access to one who is, in effect, a potential adversary in litigation or other proceeding unless or until required to do so under the rules of discovery in actual litigation. The balancing of interests under sub. (1) (a) must include examining all the relevant factors in the context of the particular circumstances and may include the balancing the competing interests consider sub. (1) (am) 1. when evaluating the entire set of facts and making its specific demonstration of the need for withholding the records. *Seifert v. School District of Sheboygan Falls*, 2007 WI App 207, 305 Wis. 2d 582, 740 N.W.2d 177, 06-2071.

The sub. (1) (am) analysis is succinct. There is no balancing. There is no requirement that the investigation be current for the exemption for records "collected or maintained in connection with a complaint, investigation or other circumstances that may lead to . . . [a] court proceeding" to apply. *Seifert v. School District of Sheboygan Falls*, 2007 WI App 207, 305 Wis. 2d 582, 740 N.W.2d 177, 06-2071.

"Record" in sub. (5) and s. 19.32 (2) does not include identical copies of otherwise available records. A copy that is not different in some meaningful way from an original, regardless of the form of the original, is an identical copy. If a copy differs in some significant way for purposes of responding to an open records request, then it



is not truly an identical copy, but instead a different record. *Stone v. Board of Regents of the University of Wisconsin*, 2007 WI App 223, 305 Wis. 2d 679, 741 N.W.2d 774, 06–2537.

*Schopper* does not permit a records custodian to deny a request based solely on the custodian's assertion that the request could reasonably be narrowed, nor does *Schopper* require that the custodian take affirmative steps to limit the search as a prerequisite to denying a request under sub. (1) (h). The fact that the request may result in the generation of a large volume of records is not, in itself, a sufficient reason to deny a request as not properly limited, but at some point, an overly broad request becomes sufficiently excessive to warrant rejection under sub. (1) (h). *Gehl v. Connors*, 2007 WI App 238, 306 Wis. 2d 247, 742 N.W.2d 530, 06–2455.

The public records law addresses the duty to disclose records; it does not address the duty to retain records. An agency's alleged failure to keep sought-after records may not be attacked under the public records law. Section 19.21 relates to records retention and is not a part of the public records law. *Gehl v. Connors*, 2007 WI App 238, 306 Wis. 2d 247, 742 N.W.2d 530, 06–2455.

*Foust* held that a common law categorical exception exists for records in the custody of a district attorney's office, not for records in the custody of a law enforcement agency. A sheriff's department is legally obligated to provide public access to records in its possession, which cannot be avoided by invoking a common law exception that is exclusive to the records of another custodian. That the same record was in the custody of both the law enforcement agency and the district attorney does not change the outcome. To the extent that a sheriff's department can articulate a policy reason why the public interest in disclosure is outweighed by the interest in withholding the particular record it may properly deny access. *Portage Daily Register v. Columbia Co. Sheriff's Department*, 2008 WI App 30, 308 Wis. 2d 357, 746 N.W.2d 525, 07–0323.

When requests are complex, municipalities should be afforded reasonable latitude in time for their responses. An authority should not be subjected to the burden and expense of a premature public records lawsuit while it is attempting in good faith to respond, or to determine how to respond, to a request. What constitutes a reasonable time for a response by an authority depends on the nature of the request, the staff and other resources available to the authority to process the request, the extent of the request, and other related considerations. *WIREdata, Inc. v. Village of Sussex*, 2008 WI 69, 310 Wis. 2d 397, 751 N.W.2d 736, 05–1473.

Employees' personal emails were not subject to disclosure in this case. *Schill v. Wisconsin Rapids School District*, 2010 WI 86, 327 Wis. 2d 572, 786 N.W.2d 177, 08–0967.

Under sub. (3) the legislature provided four tasks for which an authority may impose fees on a requester: "reproduction and transcription," "photographing and photographic processing," "locating," and "mailing or shipping." For each task, an authority is permitted to impose a fee that does not exceed the "actual, necessary and direct" cost of the task. The process of redacting information from a record does not fit into any of the four statutory tasks. *Milwaukee Journal Sentinel v. City of Milwaukee*, 2012 WI 65, 341 Wis. 2d 607, 815 N.W.2d 367, 11–1112.

Redacted portions of emails, who sent the emails, and where they were sent from were not "purely personal" and therefore subject to disclosure. Public awareness of who is attempting to influence public policy is essential for effective oversight of our government. Whether a communication is sent to a public official from a source that appears associated with a particular unit of government, a private entity, or a nonprofit organization, or from individuals who may be associated with a specific interest or particular area of the state, from where a communication is sent further assists the public in understanding who is attempting to influence public policy and why. *The John K. MacIver Institute for Public Policy, Inc. v. Erpenbach*, 2014 WI App 49, 354 Wis. 2d 61, 848 N.W.2d 862, 13–1187.

The record requester's identity was relevant in this case. As a general proposition, the identity and purpose of the requester of public records is not a part of the balancing test to be applied in determining whether to release records. However, the determination of whether there is a safety concern that outweighs the presumption of disclosure is a fact-intensive inquiry determined on a case-by-case basis. *Ardell v. Milwaukee Board of School Directors*, 2014 WI App 66, 354 Wis. 2d 471, 849 N.W.2d 894, 13–1650.

In the present case, although the defendant commission's responses did not state that no record existed, that omission did not impair the court's ability to determine whether a statutory exemption to disclosure applied. Under the facts of the case, the defendant commission lawfully denied the plaintiff newspaper's request because no responsive record existed at the time of the request. *The Journal Times v. City of Racine Board of Police and Fire Commissioners*, 2015 WI 56, 362 Wis. 2d 577, 866 N.W.2d 563, 13–1715.

Sub. (4) (a) does not require immediate disclosure of a record. It allows a custodian a reasonable amount of time to respond to a public records request. *The Journal Times v. City of Racine Board of Police and Fire Commissioners*, 2015 WI 56, 362 Wis. 2d 577, 866 N.W.2d 563, 13–1715.

There is no obligation to create a record in response to an open records request and a requester is not entitled to the release of information in response to a public records request. *The Journal Times v. City of Racine Board of Police and Fire Commissioners*, 2015 WI 56, 362 Wis. 2d 577, 866 N.W.2d 563, 13–1715.

The question asked by the balancing test is whether there is a risk to the public if information is released, not whether there is a risk to an individual if the information is released. *Voces de la Frontera, Inc. v. Clarke*, 2016 WI App 39, 369 Wis. 2d 103, 880 N.W.2d 417, 15–1152. Reversed on other grounds. *Voces de la Frontera, Inc. v. Clarke*, 2017 WI 16, 373 Wis. 2d 348, 891 N.W.2d 803, 15–1152.

In applying the balancing test to a requested video in this case, the court concluded that the public interest in preventing release of specific police and prosecution strategies and techniques being taught and used in Wisconsin outweighed the general legislative presumption that public records should be disclosed. Because the video consisted almost entirely of police tactics and specific prosecution strategies in cases involving sexual exploitation of children, disclosure would result in public harm — if local criminals learn the specific techniques and procedures used by police and prosecutors, the disclosed information could be used to circumvent the law. The public policy factors favoring nondisclosure thus overcame the presumption in favor of disclosure. *Democratic Party of Wisconsin v. Department of Justice*, 2016 WI 100, 372 Wis. 2d 460, 888 N.W.2d 584, 14–2536.

The context of the records' request, although not always relevant, was considered in this case. By asserting that, upon information and belief, several or all of the requested tapes in this case may have included offensive racial remarks and ethnic slurs, including but not limited to stereotyped accents, as well as sexist remarks, made by the attorney general when he was a district attorney, the language of the Democratic Party's petition in this case for a writ of mandamus suggested a partisan purpose underlying the request. When weighed against the likely harm to law enforcement's efforts to capture and convict sexual predators who target children, the justification offered for the request clearly did not tip the balance toward releasing the requested records. *Democratic Party of Wisconsin v. Department of Justice*, 2016 WI 100, 372 Wis. 2d 460, 888 N.W.2d 584, 14–2536.

The common law exception to disclosure for a prosecutor's case files, discussed in *Foust*, applied in this case. Under *Foust*, a district attorney's closed files were not subject to the public records law based on the broad discretion a district attorney has in charging, the confidential nature of the contents of a file, and the threat disclosure poses to the orderly administration of justice. In this case, the prosecutor in charge of a sex extortion case discussed his thought processes for charging and walked through the case in a recorded educational presentation for prosecutors. The presentation was in great respect the oral equivalent of a prosecutor's closed case file. *Democratic Party of Wisconsin v. Department of Justice*, 2016 WI 100, 372 Wis. 2d 460, 888 N.W.2d 584, 14–2536.

A video requested in this case discussed the victims of a sex extortion case and the devastating impact of those crimes. Disclosing the recording would have reignited interest in the case and allowed identification in the same way it occurred the first time around. There was sufficient factual detail in the recording to easily connect the dots to identify the dozens of victims, who would have been re-traumatized should this case have resulted in a repeat exposure of their identities almost a decade after those events occurred. Disclosure leading to revictimization would have run afoul of Wisconsin's constitutional commitment to treating victims with "fairness, dignity and respect for their privacy" under Article I, section 9m, of the Wisconsin Constitution. *Democratic Party of Wisconsin v. Department of Justice*, 2016 WI 100, 372 Wis. 2d 460, 888 N.W.2d 584, 14–2536.

When WERC had received detailed and specific complaints of past coercion in other certification elections, a WERC employee lawfully performed the balancing test in concluding that the public interest in elections free from voter intimidation and coercion outweighed the public interest in favor of openness of public records. The public interest in certification elections that are free from intimidation and coercion is evidenced by the requirement that those elections be conducted by secret ballot and free from prohibited practices. The public interest in elections that are free from intimidation and coercion outweighs the public interest in favor of open public records under the circumstances presented in this case. *Madison Teachers, Inc. v. Scott*, 2018 WI 11, 379 Wis. 2d 439, 906 N.W.2d 436, 16–2214.

Sub. (3) (a) defers to other statutes that specifically authorize records custodians to charge fees for records that differ from the fees that the open records law itself authorizes. Section 343.24 (2m) grants the Department of Transportation (DOT) authority to charge parties for inspecting accident reports. Therefore, the requester was not entitled to free access to DOT's database because both Wisconsin open records law and statutory authority permit DOT to charge access fees for certain records and because case law has held that the right to access records does not extend to the right to access databases. *Media Placement Services, Inc. v. DOT*, 2018 WI App 34, 382 Wis. 2d 191, 913 N.W.2d 224, 17–0791.

A custodian may not require a requester to pay the cost of an unrequested certification. Unless the fee for copies of records is established by law, a custodian may not charge more than the actual and direct cost of reproduction. 72 Atty. Gen. 36.

Copying fees, but not location fees, may be imposed on a requester for the cost of a computer run. 72 Atty. Gen. 68.

The fee for copying public records is discussed. 72 Atty. Gen. 150.

Public records relating to employee grievances are not generally exempt from disclosure. Nondisclosure must be justified on a case-by-case basis. 73 Atty. Gen. 20.

The disclosure of an employee's birthdate, sex, ethnic heritage, and handicapped status is discussed. 73 Atty. Gen. 26.

The department of regulation and licensing may refuse to disclose records relating to complaints against health care professionals while the matters are merely "under investigation." Good faith disclosure of the records will not expose the custodian to liability for damages. Prospective continuing requests for records are not contemplated by public records law. 73 Atty. Gen. 37.

Prosecutors' case files are exempt from disclosure. 74 Atty. Gen. 4.

The relationship between the public records law and pledges of confidentiality in settlement agreements is discussed. 74 Atty. Gen. 14.

A computerized compilation of bibliographic records is discussed in relation to copyright law; a requester is entitled to a copy of a computer tape or a printout of information on the tape. 75 Atty. Gen. 133 (1986).

Ambulance records relating to medical history, condition, or treatment are confidential while other ambulance call records are subject to disclosure under the public records law. 78 Atty. Gen. 71.

Courts are likely to require disclosure of legislators' mailing and distribution lists absent a factual showing that the public interest in withholding the records outweighs the public interest in their release. OAG 2–03.

If a legislator custodian decides that a mailing or distribution list compiled and used for official purposes must be released under the public records statute, the persons whose names, addresses or telephone numbers are contained on the list are not entitled to notice and the opportunity to challenge the decision prior to release of the record. OAG 2–03.

Access Denied: How *Woznicki v. Erickson* Reversed the Statutory Presumption of Openness in the Wisconsin Open Records Law. Munro. 2002 WLR 1197.

## 19.356 Notice to record subject; right of action.

(1) Except as authorized in this section or as otherwise provided by statute, no authority is required to notify a record subject prior to providing to a requester access to a record containing informa-



tion pertaining to that record subject, and no person is entitled to judicial review of the decision of an authority to provide a requester with access to a record.

(2) (a) Except as provided in pars. (b) to (d) and as otherwise authorized or required by statute, if an authority decides under s. 19.35 to permit access to a record specified in this paragraph, the authority shall, before permitting access and within 3 days after making the decision to permit access, serve written notice of that decision on any record subject to whom the record pertains, either by certified mail or by personally serving the notice on the record subject. The notice shall briefly describe the requested record and include a description of the rights of the record subject under subs. (3) and (4). This paragraph applies only to the following records:

1. A record containing information relating to an employee that is created or kept by the authority and that is the result of an investigation into a disciplinary matter involving the employee or possible employment-related violation by the employee of a statute, ordinance, rule, regulation, or policy of the employee's employer.

2. A record obtained by the authority through a subpoena or search warrant.

3. A record prepared by an employer other than an authority, if that record contains information relating to an employee of that employer, unless the employee authorizes the authority to provide access to that information.

(b) Paragraph (a) does not apply to an authority who provides access to a record pertaining to an employee to the employee who is the subject of the record or to his or her representative to the extent required under s. 103.13 or to a recognized or certified collective bargaining representative to the extent required to fulfill a duty to bargain or pursuant to a collective bargaining agreement under ch. 111.

(c) Paragraph (a) does not apply to access to a record produced in relation to a function specified in s. 106.54 or 230.45 or subch. II of ch. 111 if the record is provided by an authority having responsibility for that function.

(d) Paragraph (a) does not apply to the transfer of a record by the administrator of an educational agency to the state superintendent of public instruction under s. 115.31 (3) (a).

(3) Within 5 days after receipt of a notice under sub. (2) (a), a record subject may provide written notification to the authority of his or her intent to seek a court order restraining the authority from providing access to the requested record.

(4) Within 10 days after receipt of a notice under sub. (2) (a), a record subject may commence an action seeking a court order to restrain the authority from providing access to the requested record. If a record subject commences such an action, the record subject shall name the authority as a defendant. Notwithstanding s. 803.09, the requester may intervene in the action as a matter of right. If the requester does not intervene in the action, the authority shall notify the requester of the results of the proceedings under this subsection and sub. (5).

(5) An authority shall not provide access to a requested record within 12 days of sending a notice pertaining to that record under sub. (2) (a). In addition, if the record subject commences an action under sub. (4), the authority shall not provide access to the requested record during pendency of the action. If the record subject appeals or petitions for review of a decision of the court or the time for appeal or petition for review of a decision adverse to the record subject has not expired, the authority shall not provide access to the requested record until any appeal is decided, until the period for appealing or petitioning for review expires, until a petition for review is denied, or until the authority receives written notice from the record subject that an appeal or petition for review will not be filed, whichever occurs first.

(6) The court, in an action commenced under sub. (4), may restrain the authority from providing access to the requested record. The court shall apply substantive common law principles

construing the right to inspect, copy, or receive copies of records in making its decision.

(7) The court, in an action commenced under sub. (4), shall issue a decision within 10 days after the filing of the summons and complaint and proof of service of the summons and complaint upon the defendant, unless a party demonstrates cause for extension of this period. In any event, the court shall issue a decision within 30 days after those filings are complete.

(8) If a party appeals a decision of the court under sub. (7), the court of appeals shall grant precedence to the appeal over all other matters not accorded similar precedence by law. An appeal shall be taken within the time period specified in s. 808.04 (1m).

(9) (a) Except as otherwise authorized or required by statute, if an authority decides under s. 19.35 to permit access to a record containing information relating to a record subject who is an officer or employee of the authority holding a local public office or a state public office, the authority shall, before permitting access and within 3 days after making the decision to permit access, serve written notice of that decision on the record subject, either by certified mail or by personally serving the notice on the record subject. The notice shall briefly describe the requested record and include a description of the rights of the record subject under par. (b).

(b) Within 5 days after receipt of a notice under par. (a), a record subject may augment the record to be released with written comments and documentation selected by the record subject. Except as otherwise authorized or required by statute, the authority under par. (a) shall release the record as augmented by the record subject.

**History:** 2003 a. 47; 2011 a. 84.

**NOTE:** 2003 Wis. Act 47, which creates this section, contains extensive explanatory notes.

The right of a public employee to obtain de novo judicial review of an authority's decision to allow public access to certain records granted by this section is no broader than the common law right previously recognized. It is not a right to prevent disclosure solely on the basis of a public employee's privacy and reputational interests. The public's interest in not injuring the reputations of public employees must be given due consideration, but it is not controlling. *Local 2489 v. Rock County*, 2004 WI App 210, 277 Wis. 2d 208, 689 N.W.2d 644, 03–3101.

An intervenor as of right under the statute is "a party" under sub. (8) whose appeal is subject to the "time period specified in s. 808.04 (1m)." The only time period referenced in s. 808.04 (1m) is 20 days. *Zellner v. Herrick*, 2009 WI 80, 319 Wis. 2d 532, 770 N.W.2d 305, 07–2584.

This section does not set forth the only course of action that the subject of a disclosure may engage in to prevent disclosure. Subs. (3) and (4) state that "a record subject may commence an action." The plain language of the statute in no way discourages the subject of a records request from engaging in less litigious means to prevent disclosure nor does it prevent a records custodian from changing its mind. *Ardell v. Milwaukee Board of School Directors*, 2014 WI App 66, 354 Wis. 2d 471, 849 N.W.2d 894, 13–1650.

For challenges to decisions by authorities under the public records law to release records, as opposed to decisions by authorities to withhold records, the legislature has precluded judicial review except in defined circumstances. The right-of-action provision under sub. (1) unambiguously bars any person from seeking judicial review of an authority's decision to release a record unless: 1) a provision within this section authorizes judicial review; or 2) a statute other than this section authorizes judicial review. *Teague v. Van Hollen*, 2016 WI App 20, 367 Wis. 2d 547, 877 N.W.2d 379, 14–2360.

A district attorney is not an "employee" as defined in s. 19.32 (1bg) and as used in sub. (2) (a) 1. A district attorney may not maintain an action under sub. (4) to restrain an authority from providing access to requested records where the requested records do not fall within the sub. (2) (a) 1. exception to the general rule that a "record subject" is not entitled to notice or pre-release judicial review of the decision of an authority to provide access to records pertaining to that record subject. *Moustakis v. Department of Justice*, 2016 WI 42, 368 Wis. 2d 677, 880 N.W.2d 142, 14–1853.

Sub. (2) (a) 1. must be interpreted as requiring notification when an authority proposes to release records in its possession that are the result of an investigation by an employer into a disciplinary or other employment matter involving an employee, but not when there has been an investigation of possible employment-related violation by the employee and the investigation is conducted by some entity other than the employee's employer. *OAG 1–06*.

Sub. (2) (a) 2. is unambiguous. If an authority has obtained a record through a subpoena or a search warrant, it must provide the requisite notice before releasing the records. The duty to notify, however, does not require notice to every record subject who happens to be named in the subpoena or search warrant records. Under sub. (2) (a), DCI must serve written notice of the decision to release the record to any record subject to whom the record pertains. *OAG 1–06*.

To the extent any requested records proposed to be released are records prepared by a private employer and those records contain information pertaining to one of the private employer's employees, sub. (2) (a) 3. does not allow release of the information without obtaining authorization from the individual employee. *OAG 1–06*.

Sub. (9) does not require advance notification and a 5-day delay before releasing a record that mentions the name of a person holding state or local public office in any

way. A record mentioning the name of a public official does not necessarily relate to that public official within the meaning of sub. (9) (a). Sub. (9) is not limited, however, to the specific categories of records enumerated in sub. (2) (a). [OAG 7–14](#).

The use of the phrase “is created” in sub. (2) (a) 1. implies that the status of the record subject should be consistent with when the record was created. Therefore, if the record subject is an employee at the time the record is created, he or she is entitled to notice even if the employee is no longer employed by the authority at the time the authority receives the request. [OAG 2–18](#).

Sub. (9) does not apply when a record contains information relating to a record subject who is an officer or employee who formerly held a local or state public office. The provision only applies when an officer or employee of the authority currently holds a local or state public office. [OAG 2–18](#).

Should service fail in the manner specifically required in subs. (2) (a) 1. and (9) (a), after reasonable diligence, the alternatives to personal service in s. 801.11 may be used to provide notice to record subjects. Section 801.11 (1) appears reasonable and consistent with the public records law’s purposes with the exception of the publication requirement. An authority may leave a copy of the notice at the record subject’s usual place of abode in a manner substantially similar to s. 801.11(1) (b). If the record subject’s usual place of abode cannot be located after reasonable diligence, an authority may leave a copy of the notice at the record subject’s usual place of business in a manner substantially similar to s. 801.11 (4) (b). If, after reasonable diligence, the authority is unable to effectuate service according to the public records law’s provisions and other alternatives to personal service that are consistent with the public records law’s purpose, the authority may release the records. [OAG 2–18](#).

### 19.36 Limitations upon access and withholding.

(1) **APPLICATION OF OTHER LAWS.** Any record which is specifically exempted from disclosure by state or federal law or authorized to be exempted from disclosure by state law is exempt from disclosure under s. 19.35 (1), except that any portion of that record which contains public information is open to public inspection as provided in sub. (6).

(2) **LAW ENFORCEMENT RECORDS.** Except as otherwise provided by law, whenever federal law or regulations require or as a condition to receipt of aids by this state require that any record relating to investigative information obtained for law enforcement purposes be withheld from public access, then that information is exempt from disclosure under s. 19.35 (1).

(3) **CONTRACTORS’ RECORDS.** Each authority shall make available for inspection and copying under s. 19.35 (1) any record produced or collected under a contract entered into by the authority with a person other than an authority to the same extent as if the record were maintained by the authority. This subsection does not apply to the inspection or copying of a record under s. 19.35 (1) (am).

(4) **COMPUTER PROGRAMS AND DATA.** A computer program, as defined in s. 16.971 (4) (c), is not subject to examination or copying under s. 19.35 (1), but the material used as input for a computer program or the material produced as a product of the computer program is subject to the right of examination and copying, except as otherwise provided in s. 19.35 or this section.

(5) **TRADE SECRETS.** An authority may withhold access to any record or portion of a record containing information qualifying as a trade secret as defined in s. 134.90 (1) (c).

(6) **SEPARATION OF INFORMATION.** If a record contains information that is subject to disclosure under s. 19.35 (1) (a) or (am) and information that is not subject to such disclosure, the authority having custody of the record shall provide the information that is subject to disclosure and delete the information that is not subject to disclosure from the record before release.

(7) **IDENTITIES OF APPLICANTS FOR PUBLIC POSITIONS.** (a) In this subsection:

1. “Final candidate” means each applicant who is seriously considered for appointment or whose name is certified for appointment, and whose name is submitted for final consideration to an authority for appointment, to any of the following:

- a. A state position that is not a position in the classified service and that is not a position in the University of Wisconsin System.
- b. A local public office.

c. The position of president, vice president, or senior vice president of the University of Wisconsin System; the position of chancellor of an institution; or the position of the vice chancellor who serves as deputy at each institution.

2. “Final candidate” includes all of the following, but only with respect to the offices and positions described under subd. 1. a. and b.:

a. Whenever there are at least 5 applicants for an office or position, each of the 5 applicants who are considered the most qualified for the office or position by an authority.

b. Whenever there are fewer than 5 applicants for an office or position, each applicant.

c. Whenever an appointment is to be made from a group of more than 5 applicants considered the most qualified for an office or position by an authority, each applicant in that group.

3. “Institution” has the meaning given in s. 36.05 (9).

(b) Every applicant for a position with any authority may indicate in writing to the authority that the applicant does not wish the authority to reveal his or her identity. Except with respect to an applicant whose name is certified for appointment to a position in the state classified service or a final candidate, if an applicant makes such an indication in writing, the authority shall not provide access to any record related to the application that may reveal the identity of the applicant.

(8) **IDENTITIES OF LAW ENFORCEMENT INFORMANTS.** (a) In this subsection:

1. “Informant” means an individual who requests confidentiality from a law enforcement agency in conjunction with providing information to that agency or, pursuant to an express promise of confidentiality by a law enforcement agency or under circumstances in which a promise of confidentiality would reasonably be implied, provides information to a law enforcement agency or, is working with a law enforcement agency to obtain information, related in any case to any of the following:

a. Another person who the individual or the law enforcement agency suspects has violated, is violating or will violate a federal law, a law of any state or an ordinance of any local government.

b. Past, present or future activities that the individual or law enforcement agency believes may violate a federal law, a law of any state or an ordinance of any local government.

2. “Law enforcement agency” has the meaning given in s. 165.83 (1) (b), and includes the department of corrections.

(b) If an authority that is a law enforcement agency receives a request to inspect or copy a record or portion of a record under s. 19.35 (1) (a) that contains specific information including but not limited to a name, address, telephone number, voice recording or handwriting sample which, if disclosed, would identify an informant, the authority shall delete the portion of the record in which the information is contained or, if no portion of the record can be inspected or copied without identifying the informant, shall withhold the record unless the legal custodian of the record, designated under s. 19.33, makes a determination, at the time that the request is made, that the public interest in allowing a person to inspect, copy or receive a copy of such identifying information outweighs the harm done to the public interest by providing such access.

(9) **RECORDS OF PLANS OR SPECIFICATIONS FOR STATE BUILDINGS.** Records containing plans or specifications for any state-owned or state-leased building, structure or facility or any proposed state-owned or state-leased building, structure or facility are not subject to the right of inspection or copying under s. 19.35 (1) except as the department of administration otherwise provides by rule.

(10) **EMPLOYEE PERSONNEL RECORDS.** Unless access is specifically authorized or required by statute, an authority shall not provide access under s. 19.35 (1) to records containing the following information, except to an employee or the employee’s representative to the extent required under s. 103.13 or to a recognized or certified collective bargaining representative to the extent required to fulfill a duty to bargain under ch. 111 or pursuant to a collective bargaining agreement under ch. 111:

(a) Information maintained, prepared, or provided by an employer concerning the home address, home electronic mail address, home telephone number, or social security number of an employee, unless the employee authorizes the authority to provide access to such information.

(b) Information relating to the current investigation of a possible criminal offense or possible misconduct connected with employment by an employee prior to disposition of the investigation.

(c) Information pertaining to an employee's employment examination, except an examination score if access to that score is not otherwise prohibited.

(d) Information relating to one or more specific employees that is used by an authority or by the employer of the employees for staff management planning, including performance evaluations, judgments, or recommendations concerning future salary adjustments or other wage treatments, management bonus plans, promotions, job assignments, letters of reference, or other comments or ratings relating to employees.

**(11) RECORDS OF AN INDIVIDUAL HOLDING A LOCAL PUBLIC OFFICE OR A STATE PUBLIC OFFICE.** Unless access is specifically authorized or required by statute, an authority shall not provide access under s. 19.35 (1) to records, except to an individual to the extent required under s. 103.13, containing information maintained, prepared, or provided by an employer concerning the home address, home electronic mail address, home telephone number, or social security number of an individual who holds a local public office or a state public office, unless the individual authorizes the authority to provide access to such information. This subsection does not apply to the home address of an individual who holds an elective public office or to the home address of an individual who, as a condition of employment, is required to reside in a specified location.

**(13) FINANCIAL IDENTIFYING INFORMATION.** An authority shall not provide access to personally identifiable information that contains an individual's account or customer number with a financial institution, as defined in s. 134.97 (1) (b), including credit card numbers, debit card numbers, checking account numbers, or draft account numbers, unless specifically required by law.

**History:** 1981 c. 335; 1985 a. 236; 1991 a. 39, 269, 317; 1993 a. 93; 1995 a. 27; 2001 a. 16; 2003 a. 33, 47; 2005 a. 59, 253; 2007 a. 97; 2009 a. 28; 2011 a. 32; 2013 a. 171; 2015 a. 55; 2017 a. 59.

**NOTE:** 2003 Wis. Act 47, which affects this section, contains extensive explanatory notes.

A settlement agreement containing a pledge of confidentiality and kept in the possession of a school district's attorney was a public record subject to public access under sub. (3). *Journal/Sentinel v. School District of Shorewood*, 186 Wis. 2d 443, 521 N.W.2d 165 (Ct. App. 1994).

Sub. (3) does not require providing access to payroll records of subcontractors of a prime contractor of a public construction project. *Building and Construction Trades Council v. Waunakee Community School District*, 221 Wis. 2d 575, 585 N.W.2d 726 (Ct. App. 1999), 97–3282.

Production of an analog audio tape was insufficient under sub. (4) when the requester asked for examination and copying of the original digital audio tape. *State ex rel. Milwaukee Police Association v. Jones*, 2000 WI App 146, 237 Wis. 2d 840, 615 N.W.2d 190, 98–3629.

The ultimate purchasers of municipal bonds from the bond's underwriter, whose only obligation was to purchase the bonds, were not contractor's records under sub. (3). *Machotka v. Village of West Salem*, 2000 WI App 43, 233 Wis. 2d 106, 607 N.W.2d 319, 99–1163.

Requests for university admissions records focusing on test scores, class rank, grade point average, race, gender, ethnicity, and socio-economic background was not a request for personally identifiable information and release was not barred by federal law or public policy. That the requests would require the university to redact information from thousands of documents under s. 19.36 (6) did not essentially require the university to create new records and, as such, did not provide grounds for denying the request under s. 19.35 (1) (L). *Osborn v. Board of Regents of the University of Wisconsin System*, 2002 WI 83, 254 Wis. 2d 266, 647 N.W.2d 158, 00–2861.

Misconduct investigation and disciplinary records are not excepted from public disclosure under sub. (10) (d). Sub. (10) (b) is the only exception to the open records law relating to investigations of possible employee misconduct. *Kroepin v. DNR*, 2006 WI App 227, 297 Wis. 2d 254, 725 N.W.2d 286, 05–1093.

"Investigation" in sub. (10) (b) includes only that conducted by the public authority itself as a prelude to possible employee disciplinary action. An investigation achieves its "disposition" when the authority acts to impose discipline on an employee as a result of the investigation, regardless of whether the employee elects to pursue grievance arbitration or another review mechanism that may be available. *Local 2489 v. Rock County*, 2004 WI App 210, 277 Wis. 2d 208, 689 N.W.2d 644, 03–3101. See also, *Zellner v. Cedarburg School District*, 2007 WI 53, 300 Wis. 2d 290, 731 N.W.2d 240, 06–1143.

Municipalities may not avoid liability under the open records law by contracting with independent contractor assessors for the collection, maintenance, and custody of property assessment records, and then directing any requester of those records to the independent contractor assessors. *WIREData, Inc. v. Village of Sussex*, 2008 WI 69, 310 Wis. 2d 397, 751 N.W.2d 736, 05–1473.

When requests to municipalities were for electronic/digital copies of assessment records, "PDF" files were "electronic/digital" files despite the fact that the files did not have all the characteristics that the requester wished. It is not required that requesters must be given access to an authority's electronic databases to examine them, extract information from them, or copy them. Allowing requesters such direct access to the electronic databases of an authority would pose substantial risks. *WIREData, Inc. v. Village of Sussex*, 2008 WI 69, 310 Wis. 2d 397, 751 N.W.2d 736, 05–1473.

By procuring a liability insurance policy and allowing the insurance company to retain counsel for it, the county in effect contracted with the law firm and created an attorney–client relationship. Because the liability insurance policy is the basis for the tripartite relationship between the county, insurance company, and law firm and is the basis for an attorney–client relationship between the law firm and county, the invoices produced or collected during the course of the law firm's representation of the county come under the liability insurance policy and sub. (3) governs the accessibility of the invoices. *Juneau County Star–Times v. Juneau County*, 2013 WI 4, 345 Wis. 2d 122, 824 N.W.2d 457, 10–2313.

Responding to a public records request is not a "function" of the police department for purposes of the "agency functions" exception to the federal Driver's Privacy Protection Act, which allows disclosure of personal information from state motor vehicle records for use by a government agency in carrying out its functions. *New Richmond News v. City of New Richmond*, 2016 WI App 43, 370 Wis. 2d 75, 881 N.W.2d 339, 14–1938.

Under subs. (1) and (2), any record specifically exempted from disclosure pursuant to federal law also is exempt from disclosure under Wisconsin law. Federal regulations preclude release of any information pertaining to individuals detained in a state or local facility, and federal immigration detainer (I–247) forms contain only such information. Read together, subs. (1) and (2) and 8 C.F.R. § 236.6 exempt I–247 forms from release under Wisconsin public records law and the forms are not subject to common-law exemptions or the public interest balancing test. *Voces de la Frontera, Inc. v. Clarke*, 2017 WI 16, 373 Wis. 2d 348, 891 N.W.2d 803, 15–1152.

Separation costs must be borne by the agency. 72 Atty. Gen. 99.

A computerized compilation of bibliographic records is discussed in relation to copyright law; a requester is entitled to a copy of a computer tape or a printout of information on the tape. 75 Atty. Gen. 133 (1986).

An exemption to the federal Freedom of Information Act was not incorporated under sub. (1). 77 Atty. Gen. 20.

Sub. (7), 2011 stats., is an exception to the public records law and should be narrowly construed. In sub. (7), 2011 stats., "applicant" and "candidate" are synonymous. "Final candidates" are the five most qualified unless there are less than five applicants, in which case all are final candidates. 81 Atty. Gen. 37.

Public access to law enforcement records. Fitzgerald. 68 MLR 705 (1985).

**19.37 Enforcement and penalties. (1) MANDAMUS.** If an authority withholds a record or a part of a record or delays granting access to a record or part of a record after a written request for disclosure is made, the requester may pursue either, or both, of the alternatives under pars. (a) and (b).

(a) The requester may bring an action for mandamus asking a court to order release of the record. The court may permit the parties or their attorneys to have access to the requested record under restrictions or protective orders as the court deems appropriate.

(b) The requester may, in writing, request the district attorney of the county where the record is found, or request the attorney general, to bring an action for mandamus asking a court to order release of the record to the requester. The district attorney or attorney general may bring such an action.

**(1m) TIME FOR COMMENCING ACTION.** No action for mandamus under sub. (1) to challenge the denial of a request for access to a record or part of a record may be commenced by any committed or incarcerated person later than 90 days after the date that the request is denied by the authority having custody of the record or part of the record.

**(1n) NOTICE OF CLAIM.** Sections 893.80 and 893.82 do not apply to actions commenced under this section.

**(2) COSTS, FEES AND DAMAGES.** (a) Except as provided in this paragraph, the court shall award reasonable attorney fees, damages of not less than \$100, and other actual costs to the requester if the requester prevails in whole or in substantial part in any action filed under sub. (1) relating to access to a record or part of a record under s. 19.35 (1) (a). If the requester is a committed or incarcerated person, the requester is not entitled to any minimum amount of damages, but the court may award damages. Costs and fees shall be paid by the authority affected or the unit of government of which it is a part, or by the unit of government by which the legal custodian under s. 19.33 is employed and may not become a personal liability of any public official.



(b) In any action filed under sub. (1) relating to access to a record or part of a record under s. 19.35 (1) (am), if the court finds that the authority acted in a willful or intentional manner, the court shall award the individual actual damages sustained by the individual as a consequence of the failure.

(3) **PUNITIVE DAMAGES.** If a court finds that an authority or legal custodian under s. 19.33 has arbitrarily and capriciously denied or delayed response to a request or charged excessive fees, the court may award punitive damages to the requester.

(4) **PENALTY.** Any authority which or legal custodian under s. 19.33 who arbitrarily and capriciously denies or delays response to a request or charges excessive fees may be required to forfeit not more than \$1,000. Forfeitures under this section shall be enforced by action on behalf of the state by the attorney general or by the district attorney of any county where a violation occurs. In actions brought by the attorney general, the court shall award any forfeiture recovered together with reasonable costs to the state; and in actions brought by the district attorney, the court shall award any forfeiture recovered together with reasonable costs to the county.

**History:** 1981 c. 335, 391; 1991 a. 269 s. 43d; 1995 a. 158; 1997 a. 94.

A party seeking fees under sub. (2) must show that the prosecution of an action could reasonably be regarded as necessary to obtain the information and that a “causal nexus” exists between that action and the agency’s surrender of the information. *State ex rel. Vaughan v. Faust*, 143 Wis. 2d 868, 422 N.W.2d 898 (Ct. App. 1988).

If an agency exercises due diligence but is unable to respond timely to a records request, the plaintiff must show that a mandamus action was necessary to secure the records release to qualify for award of fees and costs under sub. (2). *Racine Education Association v. Racine Board of Education*, 145 Wis. 2d 518, 427 N.W.2d 414 (Ct. App. 1988).

Assuming sub. (1) (a) applies before mandamus is issued, the trial court retains discretion to refuse counsel’s participation in an *in camera* inspection. *Milwaukee Journal v. Call*, 153 Wis. 2d 313, 450 N.W.2d 515 (Ct. App. 1989).

If the trial court has an incomplete knowledge of the contents of the public records sought, it must conduct an *in camera* inspection to determine what may be disclosed following a custodian’s refusal. *State ex rel. Morke v. Donnelly*, 155 Wis. 2d 521, 455 N.W.2d 893 (1990).

A *pro se* litigant is not entitled to attorney fees. *State ex rel. Young v. Shaw*, 165 Wis. 2d 276, 477 N.W.2d 340 (Ct. App. 1991).

A favorable judgment or order is not a necessary condition precedent for finding that a party prevailed against an agency under sub. (2). A causal nexus must be shown between the prosecution of the mandamus action and the release of the requested information. *Eau Claire Press Co. v. Gordon*, 176 Wis. 2d 154, 499 N.W.2d 918 (Ct. App. 1993).

Actions brought under the open meetings and open records laws are exempt from the notice provisions of s. 893.80 (1), 1993 stats. *Auchinleck v. Town of LaGrange*, 200 Wis. 2d 585, 547 N.W.2d 587 (1996), 94–2809.

An inmate’s right to mandamus under this section is subject to s. 801.02 (7), which requires exhaustion of administrative remedies before an action may be commenced. *Moore v. Stahowiak*, 212 Wis. 2d 744, 569 N.W.2d 711 (Ct. App. 1997), 96–2547.

When requests are complex, municipalities should be afforded reasonable latitude in time for their responses. An authority should not be subjected to the burden and expense of a premature public records lawsuit while it is attempting in good faith to respond, or to determine how to respond, to a request. What constitutes a reasonable time for a response by an authority depends on the nature of the request, the staff and other resources available to the authority to process the request, the extent of the request, and other related considerations. *WIREdata, Inc. v. Village of Sussex*, 2008 WI 69, 310 Wis. 2d 397, 751 N.W.2d 736, 05–1473.

The legislature did not intend to allow a record requester to control or appeal a mandamus action brought by the attorney general under sub. (1) (b). Sub. (1) outlines two distinct courses of action when a records request is denied, dictates distinct courses of action, and prescribes different remedies for each course. Nothing suggests that a requester is hiring the attorney general as a sort of private counsel to proceed with the case, or that the requester would be a named plaintiff in the case with the attorney general appearing as counsel of record when proceeding under sub. (1) (b). *State v. Zien*, 2008 WI App 153, 314 Wis. 2d 340, 761 N.W.2d 15, 07–1930.

This section unambiguously limits punitive damages claims under sub. (3) to mandamus actions. The mandamus court decides whether there is a violation and, if so, whether it caused actual damages. Then, the mandamus court may consider whether punitive damages should be awarded under sub. (3). *The Capital Times Company v. Doyle*, 2011 WI App 137, 337 Wis. 2d 544, 807 N.W.2d 666, 10–1687.

Under the broad terms of s. 51.30 (7), the confidentiality requirements created under s. 51.30 generally apply to “treatment records” in criminal not guilty by reason of insanity cases. All conditional release plans in NGI cases are, by statutory definition, treatment records. They are “created in the course of providing services to individuals for mental illness,” and thus should be deemed confidential. An order of placement in an NGI case is not a “treatment record.” *La Crosse Tribune v. Circuit Court for La Crosse County*, 2012 WI App 42, 340 Wis. 2d 663, 814 N.W.2d 867, 10–3120.

The plaintiff newspaper argued that s. 19.88 (3), of the open meetings law, which requires “the motions and roll call votes of each meeting of a governmental body shall be recorded, preserved and open to public inspection,” in turn, required the defendant commission to record and disclose the information the newspaper requested under the open records law. The newspaper could not seek relief under the public records law for the commission’s alleged violation of the open meetings law and could not recover reasonable attorney fees, damages, and other actual costs under sub. (2) for an alleged violation of the open meetings law. *The Journal Times v. City of Racine*

*Board of Police and Fire Commissioners*, 2015 WI 56, 362 Wis. 2d 577, 866 N.W.2d 563, 13–1715.

A record custodian should not automatically be subject to potential liability under sub. (2) (a) for actively providing information, which it is not required to do in response to a public records request, to a requester when no record exists. While it might be a better course to inform a requester that no record exists, the language of the public records law does not specifically require such a response. *The Journal Times v. City of Racine Board of Police and Fire Commissioners*, 2015 WI 56, 362 Wis. 2d 577, 866 N.W.2d 563, 13–1715.

Actual damages are the liability of the agency. Punitive damages and forfeitures can be the liability of either the agency or the legal custodian, or both. Section 895.46 (1) (a) probably provides indemnification for punitive damages assessed against a custodian, but not for forfeitures. 72 *Att’y. Gen.* 99.

**19.39 Interpretation by attorney general.** Any person may request advice from the attorney general as to the applicability of this subchapter under any circumstances. The attorney general may respond to such a request.

**History:** 1981 c. 335.

### SUBCHAPTER III

#### CODE OF ETHICS FOR PUBLIC OFFICIALS AND EMPLOYEES

**19.41 Declaration of policy.** (1) It is declared that high moral and ethical standards among state public officials and state employees are essential to the conduct of free government; that the legislature believes that a code of ethics for the guidance of state public officials and state employees will help them avoid conflicts between their personal interests and their public responsibilities, will improve standards of public service and will promote and strengthen the faith and confidence of the people of this state in their state public officials and state employees.

(2) It is the intent of the legislature that in its operations the commission shall protect to the fullest extent possible the rights of individuals affected.

**History:** 1973 c. 90; Stats. 1973 s. 11.01; 1973 c. 334 s. 33; Stats. 1973 s. 19.41; 1977 c. 277; 2015 a. 118 s. 266 (10).

**19.42 Definitions.** In this subchapter:

(1) “Anything of value” means any money or property, favor, service, payment, advance, forbearance, loan, or promise of future employment, but does not include compensation and expenses paid by the state, fees and expenses which are permitted and reported under s. 19.56, political contributions which are reported under ch. 11, or hospitality extended for a purpose unrelated to state business by a person other than an organization.

(2) “Associated,” when used with reference to an organization, includes any organization in which an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or controls, directly or indirectly, and severally or in the aggregate, at least 10 percent of the outstanding equity or of which an individual or a member of his or her immediate family is an authorized representative or agent.

(3m) “Candidate,” except as otherwise provided, has the meaning given in s. 11.0101 (1).

(3s) “Candidate for local public office” means any individual who files nomination papers and a declaration of candidacy under s. 8.21 or who is nominated at a caucus under s. 8.05 (1) for the purpose of appearing on the ballot for election as a local public official or any individual who is nominated for the purpose of appearing on the ballot for election as a local public official through the write-in process or by appointment to fill a vacancy in nomination and who files a declaration of candidacy under s. 8.21.

(4) “Candidate for state public office” means any individual who files nomination papers and a declaration of candidacy under s. 8.21 or who is nominated at a caucus under s. 8.05 (1) for the purpose of appearing on the ballot for election as a state public official or any individual who is nominated for the purpose of appearing on the ballot for election as a state public official through the write-in process or by appointment to fill a vacancy

in nomination and who files a declaration of candidacy under s. 8.21.

**(4g)** “Clearly identified,” when used in reference to a communication containing a reference to a person, means one of the following:

- (a) The person’s name appears.
- (b) A photograph or drawing of the person appears.
- (c) The identity of the person is apparent by unambiguous reference.

**(4p)** “Commission” means the ethics commission.

**(4r)** “Communication” means a message transmitted by means of a printed advertisement, billboard, handbill, sample ballot, radio or television advertisement, telephone call, or any medium that may be utilized for the purpose of disseminating or broadcasting a message, but not including a poll conducted solely for the purpose of identifying or collecting data concerning the attitudes or preferences of electors.

**(5)** “Department” means the legislature, the University of Wisconsin System, any authority or public corporation created and regulated by an act of the legislature and any office, department, independent agency or legislative service agency created under ch. 13, 14 or 15, any technical college district or any constitutional office other than a judicial office. In the case of a district attorney, “department” means the department of administration unless the context otherwise requires.

**(5m)** “Elective office” means an office regularly filled by vote of the people.

**(6)** “Gift” means the payment or receipt of anything of value without valuable consideration.

**(7)** “Immediate family” means:

- (a) An individual’s spouse; and
- (b) An individual’s relative by marriage, lineal descent or adoption who receives, directly or indirectly, more than one-half of his or her support from the individual or from whom the individual receives, directly or indirectly, more than one-half of his or her support.

**(7m)** “Income” has the meaning given under section 61 of the internal revenue code.

**(7s)** “Internal revenue code” has the meanings given under s. 71.01 (6).

**(7u)** “Local governmental unit” means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of any of the foregoing or an instrumentality of the state and any of the foregoing.

**(7w)** “Local public office” means any of the following offices, except an office specified in sub. (13):

- (a) An elective office of a local governmental unit.
- (b) A county administrator or administrative coordinator or a city or village manager.
- (c) An appointive office or position of a local governmental unit in which an individual serves for a specified term, except a position limited to the exercise of ministerial action or a position filled by an independent contractor.
- (cm) The position of member of the board of directors of a local exposition district under subch. II of ch. 229 not serving for a specified term.
- (d) An appointive office or position of a local government which is filled by the governing body of the local government or the executive or administrative head of the local government and in which the incumbent serves at the pleasure of the appointing authority, except a clerical position, a position limited to the exercise of ministerial action or a position filled by an independent contractor.

(e) The position of member of the Milwaukee County mental health board as created under s. 51.41 (1d).

**(7x)** “Local public official” means an individual holding a local public office.

**(8)** “Ministerial action” means an action that an individual performs in a given state of facts in a prescribed manner in obedience to the mandate of legal authority, without regard to the exercise of the individual’s own judgment as to the propriety of the action being taken.

**(9)** “Nominee” means any individual who is nominated by the governor for appointment to a state public office and whose nomination requires the advice and consent of the senate.

**(10)** “Official required to file” means:

- (a) A member or employee of the elections commission.
- (ab) A member or employee of the ethics commission.
- (b) A member of a technical college district board or district director of a technical college, or any individual occupying the position of assistant, associate or deputy district director of a technical college.
- (c) A state public official identified under s. 20.923 except an official holding a state public office identified under s. 20.923 (6) (h).
- (d) A state public official whose appointment to state public office requires the advice and consent of the senate, except a member of the board of directors of the Bradley Center Sports and Entertainment Corporation created under ch. 232.

(e) An individual appointed by the governor or the state superintendent of public instruction pursuant to s. 17.20 (2) other than a trustee of any private higher educational institution receiving state appropriations.

(f) An auditor for the legislative audit bureau.

(g) The chief clerk and sergeant at arms of each house of the legislature.

(h) The members and employees of the Wisconsin Housing and Economic Development Authority, except clerical employees.

(i) A municipal judge.

(j) A member or the executive director of the judicial commission.

(k) A division administrator of an office created under ch. 14 or a department or independent agency created or continued under ch. 15.

(L) The executive director, executive assistant to the executive director, internal auditor, chief investment officer, chief financial officer, chief legal counsel, chief risk officer and investment directors of the investment board.

(n) The chief executive officer and members of the board of directors of the University of Wisconsin Hospitals and Clinics Authority.

(o) The chief executive officer and members of the board of directors of the Fox River Navigational System Authority.

(q) The executive director and members of the board of directors of the Wisconsin Aerospace Authority.

(r) The employees and members of the board of directors of the Lower Fox River Remediation Authority.

(sm) The employees of the Wisconsin Economic Development Corporation and the members of the board of directors of the Wisconsin Economic Development Corporation employed in the private sector who are appointed by the speaker of the assembly and the senate majority leader.

**(11)** “Organization” means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, trust or other legal entity other than an individual or body politic.

**(11m)** “Political party” means a political organization under whose name individuals who seek elective public office appear on the ballot at any election or any national, state, or local unit or affiliate of that organization.

(12) “Security” has the meaning given under s. 551.102 (28), except that the term does not include a certificate of deposit or a deposit in a savings and loan association, savings bank, credit union or similar association organized under the laws of any state.

(13) “State public office” means:

(a) All positions to which individuals are regularly appointed by the governor, except the position of trustee of any private higher educational institution receiving state appropriations and the position of member of the district board of a local professional baseball park district created under subch. III of ch. 229 and the position of member of the district board of a local cultural arts district created under subch. V of ch. 229.

(b) The positions of associate and assistant vice presidents of the University of Wisconsin System.

(c) All positions identified under s. 20.923 (2), (4), (6) (f) to (h), (7), and (8) to (10), except clerical positions.

(cm) The president and vice presidents of the University of Wisconsin System and the chancellors and vice chancellors of all University of Wisconsin institutions, the University of Wisconsin Colleges, and the University of Wisconsin–Extension.

(e) The chief clerk and sergeant at arms of each house of the legislature or a full-time, permanent employee occupying the position of auditor for the legislative audit bureau.

(f) A member of a technical college district board or district director of a technical college, or any position designated as assistant, associate or deputy district director of a technical college.

(g) The members and employees of the Wisconsin Housing and Economic Development Authority, except clerical employees.

(h) A municipal judge.

(i) A member or the executive director of the judicial commission.

(j) A division administrator of an office created under ch. 14 or a department or independent agency created or continued under ch. 15.

(k) The executive director, executive assistant to the executive director, internal auditor, chief investment officer, chief financial officer, chief legal counsel, chief risk officer and investment directors of the investment board.

(m) The chief executive officer and members of the board of directors of the University of Wisconsin Hospitals and Clinics Authority.

(n) The chief executive officer and members of the board of directors of the Fox River Navigational System Authority.

(om) The employees of the Wisconsin Economic Development Corporation and the members of the board of directors of the Wisconsin Economic Development Corporation employed in the private sector who are appointed by the speaker of the assembly and the senate majority leader.

(p) All members of the elections commission and all members of the ethics commission.

(14) “State public official” means any individual holding a state public office.

**History:** 1973 c. 90; Stats. 1973 s. 11.02; 1973 c. 333; 1973 c. 334 ss. 33, 57; Stats. 1973 s. 19.42; 1977 c. 29, 223, 277; 1977 c. 447 ss. 35, 209; 1979 c. 34, 177, 221; 1981 c. 20, 269, 349, 391; 1983 a. 27; 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 166 ss. 1 to 4, 16; 1983 a. 484, 538; 1985 a. 26; 1985 a. 29 s. 3202 (46); 1985 a. 304; 1987 a. 72, 119; 1987 a. 312 s. 17; 1987 a. 340, 365, 399, 403; 1989 a. 31, 338; 1991 a. 39, 189, 221, 269; 1993 a. 16, 263, 399; 1995 a. 27, 56, 274; 1997 a. 27; 1997 a. 237 ss. 19m, 722q; 1997 a. 298; 1999 a. 42, 65; 2001 a. 16, 104, 109; 2003 a. 39; 2005 a. 335; 2007 a. 1, 20, 196; 2009 a. 28; 2011 a. 7, 10, 32, 229; 2013 a. 20 ss. 1930, 193q, 2365m, 9448; 2013 a. 203; 2015 a. 117, 118, 196, 261.

**Cross-reference:** See also s. ETH 16.02, Wis. adm. code.

**Law Revision Committee Note, 1983:** This bill establishes consistency in the usage of the terms “person”, “individual” and “organization” in the code of ethics for state public officials. The term “person” is the broadest of these terms, and refers to any legal entity. The use of the term “person” in the bill is consistent with the definition of the word in s. 990.01 (26), stats., which provides that “person” includes all partnerships, associations and bodies politic or corporate. The term “organization” is narrower, and is defined in s. 19.42 (11), stats., as “any corporation, partnership, proprietorship, firm, enterprise, franchise, association, trust or other legal entity other than an individual or body politic”. “Individual”, although not specifically defined

in the current statutes or in this bill, is used consistently in this bill to refer to natural persons.

The term “income” is used several times in the code of ethics for state public officials. This bill clarifies the current definition of income by providing a specific cross-reference to the internal revenue code and by providing that the definition refers to the most recent version of the internal revenue code which has been adopted by the legislature for state income tax purposes.

When person holds 2 government positions, one included in and the other exempted from the definition of state public official, the applicability of subch. III depends upon the capacity in which the person acted. 64 Atty. Gen. 143.

**19.43 Financial disclosure.** (1) Each individual who in January of any year is an official required to file shall file with the commission no later than April 30 of that year a statement of economic interests meeting each of the requirements of s. 19.44 (1). The information contained on the statement shall be current as of December 31 of the preceding year.

(2) An official required to file shall file with the commission a statement of economic interests meeting each of the requirements of s. 19.44 (1) no later than 21 days following the date he or she assumes office if the official has not previously filed a statement of economic interests with the commission during that year. The information on the statement shall be current as per the date he or she assumes office.

(3) A nominee shall file with the commission a statement of economic interests meeting each of the requirements of s. 19.44 (1) within 21 days of being nominated unless the nominee has previously filed a statement of economic interests with the commission during that year. The information on the statement shall be current as per the date he or she was nominated. Following the receipt of a nominee’s statement of economic interests, the commission shall forward copies of such statement to the members of the committee of the senate to which the nomination is referred.

(4) A candidate for state public office shall file with the commission a statement of economic interests meeting each of the requirements of s. 19.44 (1) no later than 4:30 p.m. on the 3rd day following the last day for filing nomination papers for the office which the candidate seeks, or no later than 4:30 p.m. on the next business day after the last day whenever that candidate is granted an extension of time for filing nomination papers or a declaration of candidacy under s. 8.05 (1) (j), 8.10 (2) (a), 8.15 (1), or 8.20 (8) (a); no later than 4:30 p.m. on the 5th day after notification of nomination is mailed or personally delivered to the candidate by the municipal clerk in the case of a candidate who is nominated at a caucus; or no later than 4:30 p.m. on the 3rd day after notification of nomination is mailed or personally delivered to the candidate by the appropriate official or agency in the case of a write-in candidate or candidate who is appointed to fill a vacancy in nomination under s. 8.35 (2) (a). The information contained on the statement shall be current as of December 31 of the year preceding the filing deadline. Before certifying the name of any candidate for state public office under s. 7.08 (2) (a), the elections commission, municipal clerk, or board of election commissioners shall ascertain whether that candidate has complied with this subsection. If not, the elections commission, municipal clerk, or board of election commissioners may not certify the candidate’s name for ballot placement.

(5) Each member of the investment board and each employee of the investment board who is a state public official shall complete and file with the commission a quarterly report of economic transactions no later than the last day of the month following the end of each calendar quarter during any portion of which he or she was a member or employee of the investment board. Such reports of economic transactions shall be in the form prescribed by the commission and shall identify the date and nature of any purchase, sale, put, call, option, lease, or creation, dissolution, or modification of any economic interest made during the quarter for which the report is filed and disclosure of which would be required by s. 19.44 if a statement of economic interests were being filed.

(7) If an official required to file fails to make a timely filing, the commission shall promptly provide notice of the delinquency to the secretary of administration, and to the chief executive of the



department of which the official's office or position is a part, or, in the case of a district attorney, to the chief executive of that department and to the county clerk of each county served by the district attorney or in the case of a municipal judge to the clerk of the municipality of which the official's office is a part, or in the case of a justice, court of appeals judge, or circuit judge, to the director of state courts. Upon such notification both the secretary of administration and the department, municipality, or director shall withhold all payments for compensation, reimbursement of expenses, and other obligations to the official until the commission notifies the officers to whom notice of the delinquency was provided that the official has complied with this section.

(8) On its own motion or at the request of any individual who is required to file a statement of economic interests, the commission may extend the time for filing or waive any filing requirement if the commission determines that the literal application of the filing requirements of this subchapter would work an unreasonable hardship on that individual or that the extension of the time for filing or waiver is in the public interest. The commission shall set forth in writing as a matter of public record its reason for the extension or waiver.

**History:** 1973 c. 90; Stats. 1973 s. 11.03; 1973 c. 333; 1973 c. 334 s. 33; Stats. 1973 s. 19.43; 1977 c. 223, 277; 1979 c. 221; 1983 a. 166 ss. 5, 16; 1983 a. 484, 538; 1985 a. 29, 304; 1987 a. 399; 1989 a. 31; 1993 a. 266; 2003 a. 33; 2007 a. 1; 2015 a. 118 ss. 182, 183, 266 (10).

**Cross-reference:** See also ch. ETH 15, Wis. adm. code.

The extent of confidentiality of investment board nominees' statements of economic interests rests in the sound discretion of the senate committee to which the nomination is referred under sub. (3). 68 Att'y. Gen. 378.

The possible conflict between requirements of financial disclosure and confidentiality requirements for lawyers is discussed. 68 Att'y. Gen. 411.

Sub. (8) does not authorize the ethics board to extend the date by which a candidate must file a statement of economic interest and cannot waive the filing requirement. 81 Att'y. Gen. 85.

**19.44 Form of statement.** (1) Every statement of economic interests which is required to be filed under this subchapter shall be in the form prescribed by the commission, and shall contain the following information:

(a) The identity of every organization with which the individual required to file is associated and the nature of his or her association with the organization, except that no identification need be made of:

1. Any organization which is described in section 170 (c) of the internal revenue code.
2. Any organization which is organized and operated primarily to influence voting at an election including support for or opposition to an individual's present or future candidacy or to a present or future referendum.
3. Any nonprofit organization which is formed exclusively for social purposes and any nonprofit community service organization.
4. A trust.

(b) The identity of every organization or body politic in which the individual who is required to file or that individual's immediate family, severally or in the aggregate, owns, directly or indirectly, securities having a value of \$5,000 or more, the identity of such securities and their approximate value, except that no identification need be made of a security or issuer of a security when it is issued by any organization not doing business in this state or by any government or instrumentality or agency thereof, or an authority or public corporation created and regulated by an act of such government, other than the state of Wisconsin, its instrumentalities, agencies and political subdivisions, or authorities or public corporations created and regulated by an act of the legislature.

(c) The name of any creditor to whom the individual who is required to file or such individual's immediate family, severally or in the aggregate, owes \$5,000 or more and the approximate amount owed.

(d) The real property located in this state in which the individual who is required to file or such individual's immediate family holds an interest, other than the principal residence of the individ-

ual or his or her immediate family, and the nature of the interest held. An individual's interest in real property does not include a proportional share of interests in real property if the individual's proportional share is less than 10 percent of the outstanding shares or is less than an equity value of \$5,000.

(e) The identity of each payer from which the individual who is required to file or a member of his or her immediate family received \$1,000 or more of his or her income for the preceding taxable year, except that if the individual who is required to file identifies the general nature of the business in which he or she or his or her immediate family is engaged, then no identification need be made of a decedent's estate or an individual, not acting as a representative of an organization, unless the individual is a lobbyist as defined in s. 13.62. In addition, no identification need be made of payers from which only dividends or interest, anything of pecuniary value reported under s. 19.56 or reportable under s. 19.57, or political contributions reported under ch. 11 were received.

(f) If the individual who is required to file or a member of his or her immediate family received \$10,000 or more of his or her income for the preceding taxable year from a partnership, limited liability company, corporation electing to be taxed as a partnership under subchapter S of the internal revenue code or service corporation under ss. 180.1901 to 180.1921 in which the individual or a member of his or her immediate family, severally or in the aggregate, has a 10 percent or greater interest, the identity of each payer from which the organization received \$10,000 or more of its income for its preceding taxable year, except that if the individual who is required to file identifies the general nature of the business in which he or she or his or her immediate family is engaged then no identification need be made of a decedent's estate or an individual, not acting as a representative of an organization, unless the individual is a lobbyist as defined in s. 13.62. In addition, no identification need be made of payers from which dividends or interest are received.

(g) The identity of each person from which the individual who is required to file received, directly or indirectly, any gift or gifts having an aggregate value of more than \$50 within the taxable year preceding the time of filing, except that the source of a gift need not be identified if the donation is permitted under s. 19.56 (3) (e), (em) or (f) or if the donor is the donee's parent, grandparent, child, grandchild, brother, sister, parent-in-law, grandparent-in-law, brother-in-law, sister-in-law, uncle, aunt, niece, nephew, spouse, fiancé or fiancée.

(h) Lodging, transportation, money or other things of pecuniary value reportable under s. 19.56 (2).

(2) Whenever a dollar amount is required to be reported pursuant to this section, it is sufficient to report whether the amount is not more than \$50,000, or more than \$50,000.

(3) (a) An individual is the owner of a trust and the trust's assets and obligations if he or she is the creator of the trust and has the power to revoke the trust without obtaining the consent of all of the beneficiaries of the trust.

(b) An individual who is eligible to receive income or other beneficial use of the principal of a trust is the owner of a proportional share of the principal in the proportion that the individual's beneficial interest in the trust bears to the total beneficial interests vested in all beneficiaries of the trust. A vested beneficial interest in a trust includes a vested reverter interest.

(4) Information which is required by this section shall be provided on the basis of the best knowledge, information and belief of the individual filing the statement.

**History:** 1973 c. 90; Stats. 1973 s. 11.04; 1973 c. 334 ss. 33, 57, 58; Stats. 1973 s. 19.44; 1977 c. 277; 1979 c. 110 s. 60 (4), (11); 1983 a. 61; 1983 a. 166 ss. 6, 16; 1983 a. 538; 1989 a. 303, 338; 1991 a. 39; 1993 a. 112, 490; 1995 a. 27; 2011 a. 32; 2015 a. 118 s. 266 (10).

**Cross-reference:** See also ch. ETH 15, Wis. adm. code.

**Law Revision Committee Note, 1983:** Under the ethics code, each state public official and candidate for state public office must file a statement of economic interests with the ethics board listing the businesses, organizations and other legal entities from which they and their families received substantial income during the preceding taxable year. However, the ethics code does not require identification of individual persons from whom the income is received. This bill provides that if the individual



filing the statement of economic interests identifies the general nature of the business in which the individual or a member of his or her family is engaged, then no identification need be made of the estate of any deceased individual from which income was received. This bill makes it unnecessary to identify a decedent's estate which was indebted to a state public official or candidate for state public office, and makes it unnecessary to identify decedents' estates which are represented by lawyer–public officials.

A beneficiary of a future interest in a trust must identify the securities held by the trust if the individual's interest in the securities is valued at \$5,000 or more. [80 Atty. Gen. 183.](#)

### 19.45 Standards of conduct; state public officials.

(1) The legislature hereby reaffirms that a state public official holds his or her position as a public trust, and any effort to realize substantial personal gain through official conduct is a violation of that trust. This subchapter does not prevent any state public official from accepting other employment or following any pursuit which in no way interferes with the full and faithful discharge of his or her duties to this state. The legislature further recognizes that in a representative democracy, the representatives are drawn from society and, therefore, cannot and should not be without all personal and economic interest in the decisions and policies of government; that citizens who serve as state public officials retain their rights as citizens to interests of a personal or economic nature; that standards of ethical conduct for state public officials need to distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts which are substantial and material; and that state public officials may need to engage in employment, professional or business activities, other than official duties, in order to support themselves or their families and to maintain a continuity of professional or business activity, or may need to maintain investments, which activities or investments do not conflict with the specific provisions of this subchapter.

(2) No state public official may use his or her public position or office to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated. This subsection does not prohibit a state public official from using the title or prestige of his or her office to obtain contributions permitted and reported as required by ch. 11.

(3) No person may offer or give to a state public official, directly or indirectly, and no state public official may solicit or accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the state public official's vote, official actions or judgment, or could reasonably be considered as a reward for any official action or inaction on the part of the state public official. This subsection does not prohibit a state public official from engaging in outside employment.

(3m) No state public official may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with s. [19.56 \(3\)](#).

(4) No state public official may intentionally use or disclose information gained in the course of or by reason of his or her official position or activities in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family, or for any other person, if the information has not been communicated to the public or is not public information.

(5) No state public official may use or attempt to use the public position held by the public official to influence or gain unlawful benefits, advantages or privileges personally or for others.

(6) No state public official, member of a state public official's immediate family, nor any organization with which the state public official or a member of the official's immediate family owns or controls at least 10 percent of the outstanding equity, voting rights, or outstanding indebtedness may enter into any contract or lease involving a payment or payments of more than \$3,000 within a 12-month period, in whole or in part derived from state funds, unless the state public official has first made written disclosure of the nature and extent of such relationship or interest to the commission and to the department acting for the state in regard to such contract or lease. Any contract or lease entered into in viola-

tion of this subsection may be voided by the state in an action commenced within 3 years of the date on which the commission, or the department or officer acting for the state in regard to the allocation of state funds from which such payment is derived, knew or should have known that a violation of this subsection had occurred. This subsection does not affect the application of s. [946.13](#).

(7) (a) No state public official who is identified in s. [20.923](#) may represent a person for compensation before a department or any employee thereof, except:

1. In a contested case which involves a party other than the state with interests adverse to those represented by the state public official; or

2. At an open hearing at which a stenographic or other record is maintained; or

3. In a matter that involves only ministerial action by the department; or

4. In a matter before the department of revenue or tax appeals commission that involves the representation of a client in connection with a tax matter.

(b) This subsection does not apply to representation by a state public official acting in his or her official capacity.

(8) Except in the case where the state public official formerly held was that of legislator, legislative employee under s. [20.923 \(6\) \(bp\), \(f\), \(g\) or \(h\)](#), chief clerk of a house of the legislature, sergeant at arms of a house of the legislature or a permanent employee occupying the position of auditor for the legislative audit bureau:

(a) No former state public official, for 12 months following the date on which he or she ceases to be a state public official, may, for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of the department with which he or she was associated as a state public official within 12 months prior to the date on which he or she ceased to be a state public official.

(b) No former state public official, for 12 months following the date on which he or she ceases to be a state public official, may, for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of a department in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding which was under the former official's responsibility as a state public official within 12 months prior to the date on which he or she ceased to be a state public official.

(c) No former state public official may, for compensation, act on behalf of any party other than the state in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding in which the former official participated personally and substantially as a state public official.

(9) The attorney general may not engage in the private practice of law during the period in which he or she holds that office. No justice of the supreme court and no judge of any court of record may engage in the private practice of law during the period in which he or she holds that office. No full-time district attorney may engage in the private practice of law during the period in which he or she holds that office, except as authorized in s. [978.06 \(5\)](#).

(10) This section does not prohibit a legislator from making inquiries for information on behalf of a person or from representing a person before a department if he or she receives no compensation therefor beyond the salary and other compensation or reimbursement to which the legislator is entitled by law, except as authorized under sub. (7).

(11) The legislature recognizes that all state public officials and employees and all employees of the University of Wisconsin

Hospitals and Clinics Authority should be guided by a code of ethics and thus:

(a) The director of the bureau of merit recruitment and selection in the department of administration shall, with the commission's advice, promulgate rules to implement a code of ethics for classified and unclassified state employees except state public officials subject to this subchapter, personnel in the University of Wisconsin System, and officers and employees of the judicial branch.

(b) The board of regents of the University of Wisconsin System shall establish a code of ethics for personnel in that system who are not subject to this subchapter.

(c) The supreme court shall promulgate a code of judicial ethics for officers and employees of the judiciary and candidates for judicial office which shall include financial disclosure requirements. All justices and judges shall, in addition to complying with this subchapter, adhere to the code of judicial ethics.

(d) The board of directors of the University of Wisconsin Hospitals and Clinics Authority shall establish a code of ethics for employees of the authority who are not state public officials.

(12) No agency, as defined in s. 16.52 (7), or officer or employee thereof may present any request, or knowingly utilize any interests outside the agency to present any request, to either house of the legislature or any member or committee thereof, for appropriations which exceed the amount requested by the agency in the agency's most recent request submitted under s. 16.42.

(13) No state public official or candidate for state public office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any committee registered under ch. 11, or any person making a communication that contains a reference to a clearly identified state public official holding an elective office or to a candidate for state public office.

**History:** 1973 c. 90; Stats. 1973 s. 11.05; 1973 c. 334 ss. 33, 57; Stats. 1973 s. 19.45; 1977 c. 29; 1977 c. 196 s. 130 (2); 1977 c. 223, 277; 1977 c. 418 s. 923 (14); 1977 c. 419, 447; 1979 c. 120; 1983 a. 27 ss. 112, 2200 (15); 1983 a. 166 ss. 7, 16; 1985 a. 332 s. 251 (1); 1987 a. 365; 1989 a. 31, 338; 1991 a. 39, 316; 1995 a. 27; 1997 a. 27; 2001 a. 109; 2003 a. 33 ss. 279, 9160; 2003 a. 39; 2007 a. 1; 2011 a. 32; 2013 a. 20 ss. 2365m, 9448; 2015 a. 55, 117; 2015 a. 118 s. 266 (10).

**Cross-reference:** See also ch. ER-MRS 24, Wis. adm. code.

A county board may provide for a penalty in the nature of a forfeiture for a violation of a code of ethics ordinance but may not bar violators from running for office. A violation is not a neglect of duties under s. 59.10 [now s. 59.15] or an *ipso facto* cause for removal under s. 17.09 (1). 66 Atty. Gen. 148. See also 67 Atty. Gen. 164.

The ethics law does not prohibit a state public official from purchasing items and services that are available to the official because he or she holds public office. If the opportunity to purchase the item or service itself has substantial value, the purchase of the item or service is prohibited. 80 Atty. Gen. 201.

Sub. (12) is an unconstitutional infringement on free speech. *Barnett v. State Ethics Board*, 817 F. Supp. 67 (1993).

**19.451 Discounts at certain stadiums.** No person serving in a national, state or local office, as defined in s. 5.02, may accept any discount on the price of admission or parking charged to members of the general public, including any discount on the use of a sky box or private luxury box, at a stadium that is exempt from general property taxes under s. 70.11 (36).

**History:** 1991 a. 37.

**19.46 Conflict of interest prohibited; exception.**

(1) Except in accordance with the commission's advice under sub. (2) and except as otherwise provided in sub. (3), no state public official may:

(a) Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.

(b) Use his or her office or position in a way that produces or assists in the production of a substantial benefit, direct or indirect, for the official, one or more members of the official's immediate family either separately or together, or an organization with which the official is associated.

(2) (a) 1. Any individual, either personally or on behalf of an organization or governmental body, may make a request of the commission in writing, electronically, or by telephone for a formal or informal advisory opinion regarding the propriety under ch. 11, subch. III of ch. 13, or this subchapter of any matter to which the person is or may become a party. Any appointing officer, with the consent of a prospective appointee, may request of the commission a formal or informal advisory opinion regarding the propriety under ch. 11, subch. III of ch. 13, or this subchapter of any matter to which the prospective appointee is or may become a party. The commission shall review a request for an advisory opinion and may issue a formal or informal written or electronic advisory opinion to the person making the request. Except as authorized or required for opinions specified in s. 19.55 (4) (b), the commission's deliberations and actions upon such requests shall be in meetings not open to the public. A member of the commission may, by written request, require the commission to review an advisory opinion.

2. To have legal force and effect, each formal and informal advisory opinion issued by the commission must be supported by specific legal authority under a statute or other law, or by specific case or common law authority. Each formal and informal advisory opinion shall include a citation to each statute or other law and each case or common law authority upon which the opinion is based, and shall specifically articulate or explain which parts of the cited authority are relevant to the commission's conclusion and why they are relevant.

3. No person acting in good faith upon a formal or informal advisory opinion issued by the commission under this subsection is subject to criminal or civil prosecution for so acting, if the material facts are as stated in the opinion request.

4. At each regular meeting of the commission, the commission administrator shall review informal advisory opinions requested of and issued by the administrator and that relate to recurring issues or issues of first impression for which no formal advisory opinion has been issued. The commission may determine to issue a formal advisory opinion adopting or modifying the informal advisory opinion. If the commission disagrees with a formal or informal advisory opinion that has been issued by or on behalf of the commission, the commission may withdraw the opinion, issue a revised formal or informal advisory opinion, or request an opinion from the attorney general. No person acting after the date of the withdrawal or issuance of the revised advisory opinion is exempted from prosecution under this subsection if the opinion upon which the person's action is based has been withdrawn or revised in relevant degree.

5. Except as authorized or required under s. 19.55 (4) (b), no member or employee of the commission may make public the identity of the individual requesting a formal or informal advisory opinion or of individuals or organizations mentioned in the opinion.

(b) 1. The commission may authorize the commission administrator or his or her designee to issue an informal written advisory opinion or transmit an informal advisory opinion electronically on behalf of the commission, subject to such limitations as the commission deems appropriate. Every informal advisory opinion shall be consistent with applicable formal advisory opinions issued by the commission, statute or other law, and case law.

2. Any individual may request in writing, electronically, or by telephone an informal advisory opinion from the commission under this paragraph. The commission's designee shall provide a written response, a written reference to an applicable statute or law, or a written reference to a formal advisory opinion of the com-

mission to the individual, or shall refer the request to the commission for review and the issuance of a formal advisory opinion.

3. Any person receiving an informal advisory opinion under this paragraph may, at any time, request a formal advisory opinion from the commission on the same matter.

(c) 1. Any individual may request in writing, electronically, or by telephone a formal advisory opinion from the commission or the review or modification of a formal advisory opinion issued by the commission under this paragraph. The individual making the request shall include all pertinent facts relevant to the matter. The commission shall review a request for a formal advisory opinion and may issue a formal advisory opinion to the individual making the request. Except as authorized or required for opinions specified in s. 19.55 (4) (b), the commission's deliberations and actions upon such requests shall be in meetings not open to the public.

2. Any person requesting a formal advisory opinion under this paragraph may request a public or private hearing before the commission to discuss the opinion. The commission shall grant a request for a public or private hearing under this paragraph.

3. Promptly upon issuance of each formal advisory opinion, the commission shall publish the opinion together with the information specified under s. 19.55 (4) (c) on the commission's Internet site.

4. If the commission declines to issue a formal advisory opinion, it may refer the matter to the attorney general or to the standing legislative oversight committees.

(3) This section does not prohibit a state public official from taking any action concerning the lawful payment of salaries or employee benefits or reimbursement of actual and necessary expenses, or prohibit a state public official from taking official action with respect to any proposal to modify state law or the state administrative code.

**History:** 1973 c. 90; Stats. 1973 s. 11.06; 1973 c. 334 ss. 33, 57, 58; Stats. 1973 s. 19.46; 1975 c. 422; 1977 c. 223, 277, 449; 1983 a. 166; 1985 a. 29; 1989 a. 338; 2007 a. 1; 2015 a. 118.

**19.47 Operation.** (1) **OFFICE.** The office of the commission shall be in Madison, but the commission may, after proper public notice and in compliance with subch. V, meet or exercise any of its powers at any other place in the state.

(2) **ADMINISTRATOR.** The commission shall appoint an administrator in the manner provided under s. 15.62 (1) (b). The administrator shall be outside the classified service. The administrator shall appoint such other personnel as he or she requires to carry out the duties of the commission and may designate an employee of the commission to serve as legal counsel of the commission. The administrator shall perform such duties as the commission assigns to him or her in the administration of ch. 11, subch. III of ch. 13, and this subchapter.

(3) **STATEMENTS OF ECONOMIC INTERESTS.** All members and employees of the commission shall file statements of economic interests with the commission.

(4) **ACTION.** Any action by the commission, except an action relating to procedure of the commission, requires the affirmative vote of at least two-thirds of its members.

(5) **ANNUAL REPORT.** The commission shall submit an annual report under s. 15.04 (1) (d) and shall include in its annual report the names and duties of all individuals employed by the commission and a summary of its determinations and advisory opinions issued under s. 19.46 (2). Except as authorized or required under s. 19.55 (4) (b), the commission shall make sufficient alterations in the summaries to prevent disclosing the identities of individuals or organizations involved in the decisions or opinions. The commission shall identify in its report the statutory duties of the administrator of the commission, together with a description of the manner in which those duties are being fulfilled. Notwithstanding ss. 19.50 and 19.55 (3), the commission shall also specify in its report the total number of investigations conducted by the commission since the last annual report and a description of the

nature of each investigation, including whether the investigation related to campaign finance, ethics, or lobbying. The commission may also include in its annual report any information compiled under s. 11.1304 (14). The commission shall make such further reports on the matters within its jurisdiction and such recommendations for legislation as it deems appropriate.

(6) **OPERATION.** The joint committee on legislative organization shall be advisory to the commission on all matters relating to operation of the commission.

(7) **GUIDANCE FOLLOWING BINDING COURT DECISIONS.** Within 2 months following the publication of a decision of a state or federal court that is binding on the commission and this state, the commission shall issue updated guidance or formal advisory opinions, commence the rule-making procedure to revise administrative rules promulgated by the commission, or request an opinion from the attorney general on the applicability of the court decision.

(8) **STANDING.** The commission has standing to commence or intervene in any civil action or proceeding for the purpose of enforcing the laws regulating campaign finance, ethics, or lobbying or ensuring their proper administration.

(9) **POLICIES AND PROCEDURES.** (a) Annually, the commission shall adopt written policies and procedures in order to govern its internal operations and management and shall annually report such policies and procedures to the appropriate standing committees of the legislature under s. 13.172 (3).

(b) Notwithstanding par. (a), the commission may reconsider at any time any policy or procedure adopted as provided under par. (a). If, upon reconsideration, the commission revises a previously reported policy or procedure, the commission shall report the revision to the appropriate standing committees of the legislature under s. 13.172 (3).

(c) The commission may reconsider at any time any written directives or written guidance provided to the general public or to any person subject to the provisions of ch. 11, subch. III of ch. 13, and this subchapter with regard to the enforcement and administration of those provisions.

(10) **EMPLOYEES.** All employees of the commission shall be nonpartisan.

(11) **PAYMENTS.** The commission may accept payment by credit card, debit card, or other electronic payment mechanism for any amounts owed pursuant to the administration of ch. 11, subch. III of ch. 13, or this subchapter, and may charge a surcharge to the payer to recover charges associated with the acceptance of that electronic payment.

**History:** 1973 c. 90; Stats. 1973 s. 11.07; 1973 c. 334 ss. 33, 57; Stats. 1973 s. 19.47; 1975 c. 426 s. 3; 1977 c. 26, 277; 1983 a. 27, 166, 378; 1987 a. 186; 1989 a. 338; 1991 a. 39, 189; 2007 a. 1; 2015 a. 118.

**19.48 Duties of the ethics commission.** The commission shall:

(1) Promulgate rules necessary to carry out ch. 11, subch. III of ch. 13, and this subchapter. The commission shall give prompt notice of the contents of its rules to state public officials who will be affected thereby.

(2) Prescribe and make available forms for use under ch. 11, subch. III of ch. 13, and this subchapter, including the forms specified in s. 13.685 (1).

(3) Accept and file any information related to the purposes of ch. 11, subch. III of ch. 13, and this subchapter which is voluntarily supplied by any person in addition to the information required by this subchapter.

(4) Preserve the statements of economic interests filed with it for a period of 6 years from the date of receipt in such form, including microfilming, optical imaging or electronic formatting, as will facilitate document retention, except that:

(a) Upon the expiration of 3 years after an individual ceases to be a state public official the commission shall, unless the former state public official otherwise requests, destroy any statement of



economic interests filed by him or her and any copies thereof in its possession.

(b) Upon the expiration of 3 years after any election at which a candidate for state public office was not elected, the commission shall destroy any statements of economic interests filed by him or her as a candidate for state public office and any copies thereof in the commission's possession, unless the individual continues to hold another position for which he or she is required to file a statement, or unless the individual otherwise requests.

(c) Upon the expiration of 3 years from the action of the senate upon a nomination for state public office at which the senate refused to consent to the appointment of the nominee, the commission shall destroy any statements of economic interests filed by him or her as a nominee and any copies thereof in the commission's possession, unless the individual continues to hold another position for which he or she is required to file a statement, or unless the nominee otherwise requests. This paragraph does not apply to any individual who is appointed to state public office under s. 17.20 (2).

(5) Except as provided in s. 19.55 (2) (c), make statements of economic interests filed with the commission available for public inspection and copying during regular office hours and make copying facilities available at a charge not to exceed actual cost.

(6) Compile and maintain an index to all the statements of economic interests currently on file with the commission to facilitate public access to such statements of economic interests.

(7) Prepare and publish special reports and technical studies to further the purposes of ch. 11, subch. III of ch. 13, and this subchapter.

(8) Report the full name and address of any individual and the full name and address of any person represented by an individual seeking to copy or obtain information from a statement of economic interests in writing to the individual who filed it, as soon as possible.

(9) Administer programs to explain and interpret ch. 11, subch. III of ch. 13, and this subchapter for state public officials, and for elective state officials, candidates for state public office, legislative officials, agency officials, lobbyists, as defined in s. 13.62, local public officials, corporation counsels and attorneys for local governmental units. The programs shall provide advice regarding appropriate ethical and lobbying practices, with special emphasis on public interest lobbying. The commission may delegate creation and implementation of any such program to a group representing the public interest. The commission may charge a fee to participants in any such program.

(10) Compile and make available information filed with the commission in ways designed to facilitate access to the information. The commission may charge a fee to a person requesting information for compiling, disseminating or making available such information, except that the commission shall not charge a fee for inspection at the commission's office of any record otherwise open to public inspection under s. 19.35 (1).

(11) Maintain an Internet site on which the information required to be posted by agencies under s. 16.753 (4) can be posted and accessed. The information on the site shall be accessible directly or by linkage from a single page on the Internet.

**History:** 1973 c. 90; Stats. 1973 s. 11.08; 1973 c. 333; 1973 c. 334 ss. 33, 57; Stats. 1973 s. 19.48; 1975 c. 41; 1977 c. 223, 277; 1977 c. 447 ss. 37, 209; 1983 a. 166 ss. 10, 16; 1985 a. 164; 1989 a. 338, 359; 1991 a. 39, 269; 1995 a. 27; 1997 a. 186; 2005 a. 410; 2015 a. 118 ss. 189 to 194, 266 (10).

**Cross-reference:** See also ETH, Wis. adm. code.

**19.49 Administration; enforcement.** (1) **GENERAL AUTHORITY.** The commission shall have the responsibility for the administration of ch. 11, subch. III of ch. 13, and this subchapter. Pursuant to such responsibility, the commission may:

(a) In the discharge of its duties and after providing notice to any party who is the subject of an investigation, subpoena and bring before it any person and require the production of any papers, book, or other records relevant to an investigation. Not-

withstanding s. 885.01 (4), the issuance of a subpoena requires action by the commission at a meeting of the commission. A circuit court may by order permit the inspection and copying of the accounts and the depositor's and loan records at any financial institution, as defined in s. 705.01 (3), doing business in the state to obtain evidence of any violation of ch. 11 upon showing by the commission of probable cause to believe there is a violation and that such accounts and records may have a substantial relation to the violation. In the discharge of its duties, the commission may cause the deposition of witnesses to be taken in the manner prescribed for taking depositions in civil actions in circuit court.

(b) Bring civil actions to require a forfeiture for any violation of ch. 11, subch. III of ch. 13, or this subchapter or for a license revocation for any violation of subch. III of ch. 13 for which the offender is subject to a revocation. The commission may compromise and settle any civil action or potential action brought or authorized to be brought by it which, in the opinion of the commission, constitutes a minor violation, a violation caused by excusable neglect, or which for other good cause shown, should not in the public interest be prosecuted under such chapter. Notwithstanding s. 778.06, a civil action or proposed civil action authorized under this paragraph may be settled for such sum as may be agreed between the parties. Any settlement made by the commission shall be in such amount as to deprive the alleged violator of any benefit of his or her wrongdoing and may contain a penal component to serve as a deterrent to future violations. In settling civil actions or proposed civil actions, the commission shall treat comparable situations in a comparable manner and shall assure that any settlement bears a reasonable relationship to the severity of the offense or alleged offense. Except as otherwise provided in sub. (2) (b) 13. and 14. and ss. 19.554 and 19.59 (8), forfeiture and license revocation actions brought by the commission shall be brought in the circuit court for the county where the defendant resides, or if the defendant is a nonresident of this state, in circuit court for the county wherein the violation is alleged to occur. For purposes of this paragraph, a person other than an individual resides within a county if the person's principal place of operation is located within that county. Whenever the commission enters into a settlement agreement with an individual who is accused of a civil violation of ch. 11, subch. III of ch. 13, or this subchapter or who is investigated by the commission for a possible civil violation of one of those provisions, the commission shall reduce the agreement to writing, together with a statement of the commission's findings and reasons for entering into the agreement and shall retain the agreement and statement in its office for inspection.

(c) Sue for injunctive relief, a writ of mandamus or prohibition, or other such legal or equitable relief as may be appropriate to enforce any law regulating campaign financing or ensure its proper administration. No bond is required in such actions. Actions shall be brought in circuit court for the county where a violation occurs or may occur.

(1m) **COMPLAINTS.** No complaint alleging a violation of s. 19.45 (13) may be filed during the period beginning 120 days before a general or spring election, or during the period commencing on the date of the order of a special election under s. 8.50, and ending on the date of that election, against a candidate who files a declaration of candidacy to have his or her name appear on the ballot at that election.

(2) **ENFORCEMENT.** (a) The commission shall investigate violations of laws administered by the commission and may prosecute alleged civil violations of those laws, directly or through its agents under this subsection, pursuant to all statutes granting or assigning that authority or responsibility to the commission. Prosecution of alleged criminal violations investigated by the commission may be brought only as provided in par. (b) 9., 12., 13., and 14. and s. 978.05 (1). For purposes of this subsection, the commission may only initiate an investigation of an alleged violation of ch. 11, subch. III of ch. 13, and this subchapter, other than an offense described under par. (b) 10., based on a sworn complaint

filed with the commission, as provided under par. (b). Neither the commission nor any member or employee of the commission, including the commission administrator, may file a sworn complaint for purposes of this subsection.

(b) 1. Any person may file a complaint with the commission alleging a violation of ch. 11, subch. III of ch. 13, or this subchapter. No later than 5 days after receiving a complaint, the commission shall notify each person who or which the complaint alleges committed such a violation. Before voting on whether to take any action regarding the complaint, other than to dismiss, the commission shall give each person receiving a notice under this subdivision an opportunity to demonstrate to the commission, in writing and within 15 days after receiving the notice, that the commission should take no action against the person on the basis of the complaint. The commission may not conduct any investigation or take any other action under this subsection solely on the basis of a complaint by an unidentified complainant.

1m. If the commission finds, by a preponderance of the evidence, that a complaint is frivolous, the commission may order the complainant to forfeit not more than the greater of \$500 or the expenses incurred by the commission in investigating the complaint.

2. Any person to whom ch. 11, subch. III of ch. 13, or this subchapter may have application may request the commission to make an investigation of his or her own conduct or of allegations made by other persons as to his or her conduct. Such a request shall be made in writing and shall set forth in detail the reasons therefor.

3. If the commission reviews a complaint and fails to find that there is a reasonable suspicion that a violation under subd. 1. has occurred or is occurring, the commission shall dismiss the complaint. If the commission believes that there is reasonable suspicion that a violation under subd. 1. has occurred or is occurring, the commission may by resolution authorize the commencement of an investigation. The resolution shall specifically set forth any matter that is authorized to be investigated. To assist in the investigation, the commission may elect to retain a special investigator. If the commission elects to retain a special investigator, the administrator shall submit to the commission the names of 3 qualified individuals to serve as a special investigator. The commission may retain one or more of the individuals. If the commission retains a special investigator to investigate a complaint against a person who is a resident of this state, the commission shall provide to the district attorney for the county in which the person resides a copy of the complaint and shall notify the district attorney that it has retained a special investigator to investigate the complaint. For purposes of this subdivision, a person other than an individual resides within a county if the person's principal place of operation is located within that county. The commission shall enter into a written contract with any individual who is retained as a special investigator setting forth the terms of the engagement. A special investigator who is retained by the commission may request the commission to issue a subpoena to a specific person or to authorize the special investigator to request the circuit court of the county in which the specific person resides to issue a search warrant. The commission may grant the request by approving a motion to that effect at a meeting of the commission if the commission finds that such action is legally appropriate.

4. Each special investigator who is retained by the commission shall make periodic reports to the commission, as directed by the commission, but in no case may the interval for reporting exceed 30 days. If the commission authorizes the administrator to investigate any matter without retaining a special investigator, the administrator shall make periodic reports to the commission, as directed by the commission, but in no case may the reporting interval exceed 30 days. During the pendency of any investigation, the commission shall meet for the purpose of reviewing the progress of the investigation at least once every 90 days. The special investigator or the administrator shall report in person to the

commission at that meeting concerning the progress of the investigation. If, after receiving a report, the commission does not vote to continue an investigation for an additional period not exceeding 90 days, the investigation is terminated at the end of the reporting interval. The commission shall not expend more than \$25,000 to finance the cost of an investigation before receiving a report on the progress of the investigation and a recommendation to commit additional resources. The commission may vote to terminate an investigation at any time. If an investigation is terminated, any complaint from which the investigation arose is deemed to be dismissed by the commission. Unless an investigation is terminated by the commission, at the conclusion of each investigation, the administrator shall present to the commission one of the following:

a. A recommendation to make a finding that probable cause exists to believe that one or more violations under subd. 1. have occurred or are occurring, together with a recommended course of action.

b. A recommendation for further investigation of the matter together with facts supporting that course of action.

c. A recommendation to terminate the investigation due to lack of sufficient evidence to indicate that a violation under subd. 1. has occurred or is occurring.

5. a. If the commission finds that there is probable cause to believe that a violation under subd. 1. has occurred or is occurring, the commission may authorize the administrator to file a civil complaint against the alleged violator. In such case, the administrator may request the assistance of special counsel to prosecute any action brought by the commission. If the administrator requests the assistance of special counsel with respect to any matter, the administrator shall submit to the commission the names of 3 qualified individuals to serve as special counsel. The commission may retain one of the individuals to act as special counsel. The staff of the commission shall provide assistance to the special counsel as may be required by the counsel to carry out his or her responsibilities.

b. The commission shall enter into a written contract with any individual who is retained as special counsel setting forth the terms of the engagement. The contract shall set forth the compensation to be paid such counsel by the state. The contract shall be executed on behalf of the state by the commission and the commission shall file the contract in the office of the secretary of state. The compensation shall be charged to the appropriation under s. 20.521 (1) (br).

6. No individual who is appointed or retained by the commission to serve as special counsel or as a special investigator is subject to approval under s. 20.930.

7. At the conclusion of its investigation, the commission shall, in preliminary written findings of fact and conclusions based thereon, make a determination of whether or not probable cause exists to believe that a violation under subd. 1. has occurred or is occurring. If the commission determines that no probable cause exists, it shall dismiss the complaint. Whenever the commission dismisses a complaint or a complaint is deemed to be dismissed under subd. 4., the commission shall immediately send written notice of the dismissal to the accused and to the party who made the complaint.

8. The commission shall inform the accused or his or her counsel of exculpatory evidence in its possession.

9. If the commission finds that there is probable cause to believe that a violation under subd. 1. has occurred or is occurring, the commission may, in lieu of civil prosecution of any matter by the commission, refer the matter to the district attorney for the county in which the alleged violator resides, or if the alleged violator is a nonresident, to the district attorney for the county where the matter arises, or if par. (h) applies, to the attorney general or a special prosecutor. For purposes of this subdivision, a person

other than an individual resides within a county if the person's principal place of operation is located within that county.

10. The commission shall, by rule, prescribe categories of civil offenses which the commission will agree to compromise and settle without a formal investigation upon payment of specified amounts by the alleged offender. The commission may authorize the administrator to compromise and settle such alleged offenses in the name of the commission if the alleged offenses by an offender, in the aggregate, do not involve payment of more than \$2,500.

11. If a special investigator or the administrator, in the course of an investigation authorized by the commission, discovers evidence that a violation under subd. 1. that was not within the scope of the authorized investigation has occurred or is occurring, the special investigator or the administrator may present that evidence to the commission. If the commission finds that there is a reasonable suspicion that a violation under subd. 1. that is not within the scope of the authorized investigation has occurred or is occurring, the commission may authorize the special investigator or the administrator to investigate the alleged violation or may elect to authorize a separate investigation of the alleged violation as provided in subd. 3.

12. If a special investigator or the administrator, in the course of an investigation authorized by the commission, discovers evidence of a potential violation of a law that is not administered by the commission arising from or in relation to the official functions of the subject of the investigation or any matter that involves campaign finance, ethics, or lobbying regulation, the special investigator or the administrator may present that evidence to the commission. The commission may thereupon refer the matter to the appropriate district attorney specified in subd. 9. or may refer the matter to the attorney general. The attorney general may then commence a civil or criminal prosecution relating to the matter.

13. Except as provided in subd. 15., if the commission refers a matter to the district attorney specified in subd. 9. for prosecution of a potential violation under subd. 1. or 12. and the district attorney informs the commission that he or she declines to prosecute any alleged civil or criminal violation related to any matter referred to the district attorney by the commission, or the district attorney fails to commence a prosecution of any civil or criminal violation related to any matter referred to the district attorney by the commission within 60 days of the date of the commission's referral, the commission may refer the matter to the district attorney for another prosecutorial unit that is contiguous to the prosecutorial unit of the district attorney to whom the matter was originally referred. If there is more than one such prosecutorial unit, the chairperson of the commission shall determine the district attorney to whom the matter shall be referred by publicly drawing lots at a meeting of the commission. The district attorney may then commence a civil or criminal prosecution relating to the matter.

14. Except as provided in subd. 15., if the commission refers a matter to a district attorney under subd. 13. for prosecution of a potential violation under subd. 1. or 12. and the district attorney informs the commission that he or she declines to prosecute any alleged civil or criminal violation related to any matter referred to the district attorney by the commission, or the district attorney fails to commence a prosecution of any civil or criminal violation related to any matter referred to the district attorney by the commission within 60 days of the date of the commission's referral, the commission may refer the matter to the attorney general. The attorney general may then commence a civil or criminal prosecution relating to the matter.

15. The commission is not authorized to act under subd. 13. or 14. if a special prosecutor is appointed under s. 978.045 in lieu of the district attorney specified in subd. 9.

16. Whenever the commission refers a matter to special counsel or to a district attorney or to the attorney general under this subsection, the special counsel, district attorney, or attorney general shall report to the commission concerning any action taken

regarding the matter. The report shall be transmitted no later than 40 days after the date of the referral. If the matter is not disposed of during that period, the special counsel, district attorney, or attorney general shall file a subsequent report at the end of each 30-day period following the filing of the initial report until final disposition of the matter.

(c) 1. No individual who serves as the administrator may have been a lobbyist, as defined in s. 13.62 (11). No such individual may have served in a partisan state or local office.

2. No employee of the commission, while so employed, may become a candidate, as defined in s. 11.0101 (1), for a state or partisan local office. No individual who is retained by the commission to serve as a special investigator or as special counsel may, while so retained, become a candidate, as defined in s. 11.0101 (1), for any state or local office. A filing officer shall decline to accept nomination papers or a declaration of candidacy from any individual who does not qualify to become a candidate under this paragraph.

(d) No individual who serves as an employee of the commission and no individual who is retained by the commission to serve as a special investigator or a special counsel may, while so employed or retained, make a contribution, as defined in s. 11.0101 (8), to a candidate for state or local office. No individual who serves as an employee of the commission and no individual who is retained by the commission to serve as a special investigator or as special counsel, for 12 months prior to becoming so employed or retained, may have made a contribution, as defined in s. 11.0101 (8), to a candidate for a partisan state or local office.

(e) Pursuant to any investigation authorized under par. (b), the commission has the power:

1. To require any person to submit in writing such reports and answers to questions relevant to the proceedings as the commission may prescribe, such submission to be made within such period and under oath or otherwise as the commission may determine.

2. To order testimony to be taken by deposition before any individual who is designated by the commission and has the power to administer oaths, and, in such instances, to compel testimony and the production of evidence in the same manner as authorized by sub. (1) (a).

3. To pay witnesses the same fees and mileage as are paid in like circumstances by the courts of this state.

4. To request and obtain from the department of revenue copies of state income or franchise tax returns and access to other appropriate information under s. 71.78 (4) regarding all persons who are the subject of such investigation.

(f) 1. Except as provided in subd. 2., no action may be taken on any complaint that is filed later than 3 years after a violation of ch. 11, subch. III of ch. 13, or this subchapter is alleged to have occurred.

2. The period of limitation under subd. 1. is tolled for a complaint alleging a violation of s. 19.45 (13) or 19.59 (1) (br) for the period during which such a complaint may not be filed under sub. (1m) or s. 19.59 (8) (cm).

(g) If the defendant in an action for a civil violation of ch. 11, subch. III of ch. 13, or this subchapter is a district attorney or a circuit judge or a candidate for either such office, the action shall be brought by the commission. If the defendant in an action for a civil violation of ch. 11, subch. III of ch. 13, or this subchapter is the attorney general or a candidate for that office, the commission may appoint special counsel to bring suit on behalf of the state.

(h) If the defendant in an action for a criminal violation of ch. 11, subch. III of ch. 13, or this subchapter is a district attorney or a circuit judge or a candidate for either such office, the action shall be brought by the attorney general. If the defendant in an action for a criminal violation of ch. 11, subch. III of ch. 13, or this subchapter is the attorney general or a candidate for that office, the commission may appoint a special prosecutor to conduct the prosecution on behalf of the state.



(i) Any special counsel or prosecutor who is appointed under par. (g) or (h) shall be independent of the attorney general and need not be a state employee at the time of his or her appointment.

(j) The commission's power to initiate civil actions under this subsection for the enforcement of ch. 11, subch. III of ch. 13, or this subchapter shall be the exclusive remedy for alleged civil violations of ch. 11, subch. III of ch. 13, or this subchapter.

**(2g) AUDITING.** In addition to the facial examination of reports and statements required under s. 11.1304 (9), the commission shall conduct an audit of reports and statements which are required to be filed with it to determine whether violations of ch. 11 have occurred. The commission may examine records relating to matters required to be treated in such reports and statements. The commission shall make official note in the file of a committee, as defined in s. 11.0101 (6), of any error or other discrepancy which the commission discovers and shall inform the person submitting the report or statement. The commission may not audit reports, statements, or records beyond the 3-year period for which a committee must retain records under ch. 11.

**(2q) SUPPLEMENTAL FUNDING FOR ONGOING INVESTIGATIONS.** The commission may request supplemental funds to be credited to the appropriation account under s. 20.521 (1) (be) for the purpose of continuing an ongoing investigation initiated under sub. (2). A request under this subsection shall be filed with the secretary of administration and the cochairpersons of the joint committee on finance in writing and shall contain a statement of the action requested, the purposes therefor, the statutory provision authorizing or directing the performance of the action, and information about the nature of the investigation for which the commission seeks supplemental funds, excluding the name of any individual or organization that is the subject of the investigation. If the cochairpersons of the joint committee on finance do not notify the secretary of administration that the committee has scheduled a meeting for the purpose of reviewing the request within 14 working days after the commission filed the request, the secretary shall supplement the appropriation under s. 20.521 (1) (be) from the appropriation under s. 20.505 (1) (d) in an amount not to exceed the amount the commission requested. If, within 14 working days after the commission filed the request, the cochairpersons of the joint committee on finance notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the commission's request under this subsection, the secretary may supplement the appropriation under s. 20.521 (1) (be) only with the committee's approval. The committee and the secretary shall notify the commission of all their actions taken under this subsection.

**History:** 2015 a. 117 s. 2; 2015 a. 118 ss. 12, 15, 195; 2017 a. 366.

#### **19.50 Unauthorized release of records or information.**

**(1)** Except as specifically authorized by law and except as provided in sub. (2), no investigator, prosecutor, employee of an investigator or prosecutor, or member or employee of the commission may disclose information related to an investigation or prosecution under ch. 11, subch. III of ch. 13, or this subchapter or any other law specified in s. 978.05 (1) or (2) or provide access to any record of the investigator, prosecutor, or the commission that is not subject to access under s. 19.55 (3) to any person other than an employee or agent of the prosecutor or investigator or a member, employee, or agent of the commission prior to presenting the information or record in a court of law.

**(2)** This section does not apply to any of the following communications made by an investigator, prosecutor, employee of an investigator or prosecutor, or member or employee of the commission:

(a) Communications made in the normal course of an investigation or prosecution.

(b) Communications with a local, state, or federal law enforcement or prosecutorial authority.

(c) Communications made to the attorney of an investigator, prosecutor, employee, or member of the commission or to a per-

son or the attorney of a person who is investigated or prosecuted by the commission.

**History:** 2015 a. 118.

**19.55 Public inspection of records.** **(1)** Except as provided in subs. (2) to (4), all records under ch. 11, this subchapter, or subch. III of ch. 13 in the possession of the commission are open to public inspection at all reasonable times. The commission shall require an individual wishing to examine a statement of economic interests or the list of persons who inspect any statements which are in the commission's possession to provide his or her full name and address, and if the individual is representing another person, the full name and address of the person which he or she represents. Such identification may be provided in writing or in person. The commission shall record and retain for at least 3 years information obtained by it pursuant to this subsection. No individual may use a fictitious name or address or fail to identify a principal in making any request for inspection.

**(2)** The following records in the commission's possession are not open for public inspection:

(c) Statements of economic interests and reports of economic transactions which are filed with the commission by members or employees of the investment board, except that the commission shall refer statements and reports filed by such individuals to the legislative audit bureau for its review, and except that a statement of economic interests filed by a member or employee of the investment board who is also an official required to file shall be open to public inspection.

(d) Records of the social security number of any individual who files an application for licensure as a lobbyist under s. 13.63 or who registers as a principal under s. 13.64, except to the department of children and families for purposes of administration of s. 49.22, to the department of revenue for purposes of administration of s. 73.0301, and to the department of workforce development for purposes of administration of s. 108.227.

**(3)** Records obtained or prepared by the commission in connection with an investigation, including the full text of any complaint received by the commission, are not subject to the right of inspection and copying under s. 19.35 (1), except as follows:

(a) The commission shall permit inspection of records that are distributed or discussed in the course of a meeting or hearing by the commission in open session.

(am) The commission shall provide to the joint committee on finance records obtained or prepared by the commission in connection with an ongoing investigation when required under s. 19.49 (2q).

(b) Investigatory records of the commission may be made public in the course of a prosecution initiated under ch. 11, subch. III of ch. 13, or this subchapter.

(bm) The commission shall provide investigatory records to the state auditor and the employees of the legislative audit bureau to the extent necessary for the bureau to carry out its duties under s. 13.94.

(c) The commission shall provide information from investigation and hearing records that pertains to the location of individuals and assets of individuals as requested under s. 49.22 (2m) by the department of children and families or by a county child support agency under s. 59.53 (5).

(d) If the commission commences a civil prosecution of a person for an alleged violation of ch. 11, subch. III of ch. 13, or this subchapter as the result of an investigation, the person who is the subject of the investigation may authorize the commission to make available for inspection and copying under s. 19.35 (1) records of the investigation pertaining to that person if the records are available by law to the subject person and the commission shall then make those records available.

(e) The following records of the commission are open to public inspection and copying under s. 19.35 (1):



1. Any record of the action of the commission authorizing the filing of a civil complaint under s. 19.49 (2) (b) 5.

2. Any record of the action of the commission referring a matter to a district attorney or other prosecutor for investigation or prosecution.

3. Any record containing a finding that a complaint does not raise a reasonable suspicion that a violation of the law has occurred.

4. Any record containing a finding, following an investigation, that no probable cause exists to believe that a violation of the law has occurred.

(4) (a) Except as authorized or required under par. (b), records obtained in connection with a request for an advisory opinion issued under s. 19.46 (2), other than summaries of advisory opinions that do not disclose the identity of individuals requesting such opinions or organizations on whose behalf they are requested, are not subject to the right of inspection and copying under s. 19.35 (1). Except as authorized or required under par. (b), the commission shall make sufficient alterations in the summaries to prevent disclosing the identities of individuals or organizations involved in the opinions.

(b) The commission may make records obtained in connection with an informal advisory opinion under par. (a) public with the consent of the individual requesting the informal advisory opinion or the organization or governmental body on whose behalf it is requested. A person who makes or purports to make public the substance of or any portion of an informal advisory opinion requested by or on behalf of the person is deemed to have waived the confidentiality of the request for an informal advisory opinion and of any records obtained or prepared by the commission in connection with the request for an informal advisory opinion.

(c) Within 30 days after completing an investigation related to and the preparation of a formal advisory opinion on a matter under the jurisdiction of the commission, the commission shall make public the formal advisory opinion and records obtained in connection with the request for the formal advisory opinion, replacing the identity of any organization or governmental body on whose behalf the formal opinion is requested with generic, descriptive terms. The commission shall redact information related to the identity of any natural person making the request.

**History:** 1977 c. 277; 1981 c. 335 s. 26; 1983 a. 166 ss. 15, 16; 1985 a. 164; 1989 a. 31, 338; 1997 a. 191, 237; 1999 a. 32; 2007 a. 1, 20; 2013 a. 36; 2015 a. 118 ss. 197 to 200, 266 (10).

The extent of confidentiality of investment board nominees' statements of economic interests rests in the sound discretion of the senate committee to which the nomination is referred. 68 Atty. Gen. 378.

**19.552 Action to compel compliance.** Whenever a violation of the laws regulating campaign financing occurs or is proposed to occur, the attorney general or the district attorney of the county where the violation occurs or is proposed to occur may sue for injunctive relief, a writ of mandamus or prohibition, or other such legal or equitable relief as may be appropriate to compel compliance with the law. No bond is required in such actions.

**History:** 2015 a. 118.

**19.554 Petition for enforcement.** In addition to or in lieu of filing a complaint, any elector may file a verified petition alleging such facts as are within his or her knowledge to indicate that an election official has failed or is failing to comply with any law regulating campaign financing or proposes to act in a manner inconsistent with such a law, and requesting that an action be commenced for injunctive relief, a writ of mandamus or prohibition or other such legal or equitable relief as may be appropriate to compel compliance with the law. The petition shall be filed with the district attorney for the county having jurisdiction to prosecute the alleged failure to comply under s. 978.05 (1) and (2). The district attorney may then commence the action or dismiss the petition. If the district attorney declines to act upon the petition or if the district attorney fails to act upon the petition within 15 days of the

date of filing, the petitioner may file the same petition with the attorney general, who may then commence the action.

**History:** 2015 a. 118.

**19.56 Honorariums, fees and expenses.** (1) Every state public official is encouraged to meet with clubs, conventions, special interest groups, political groups, school groups and other gatherings to discuss and to interpret legislative, administrative, executive or judicial processes and proposals and issues initiated by or affecting a department or the judicial branch.

(2) (a) Except as provided in par. (b), every official required to file who receives for a published work or for the presentation of a talk or participation in a meeting, any lodging, transportation, money or other thing with a combined pecuniary value exceeding \$50 excluding the value of food or beverage offered coincidentally with a talk or meeting shall, on his or her statement of economic interests, report the identity of every person from whom the official receives such lodging, transportation, money or other thing during his or her preceding taxable year, the circumstances under which it was received and the approximate value thereof.

(b) An official need not report on his or her statement of economic interests under par. (a) information pertaining to any lodging, transportation, money or other thing of pecuniary value which:

1. The official returns to the payor within 30 days of receipt;
2. Is paid to the official by a person identified on the official's statement of economic interests under s. 19.44 (1) (e) or (f) as a source of income;
3. The official can show by clear and convincing evidence was unrelated to and did not arise from the recipient's holding or having held a public office and was made for a purpose unrelated to the purposes specified in sub. (1);
4. The official has previously reported to the commission as a matter of public record;
5. Is paid by the department or municipality of which the official's state public office is a part, or, in the case of a district attorney, is paid by that department or a county which the district attorney serves, or, in the case of a justice or judge of a court of record, is paid from the appropriations for operation of the state court system; or
6. Is made available to the official by the Wisconsin Economic Development Corporation or the department of tourism in accordance with sub. (3) (e), (em) or (f).

(3) Notwithstanding s. 19.45:

(a) A state public official may receive and retain reimbursement or payment of actual and reasonable expenses and an elected official may retain reasonable compensation, for a published work or for the presentation of a talk or participation in a meeting related to a topic specified in sub. (1) if the payment or reimbursement is paid or arranged by the organizer of the event or the publisher of the work.

(b) A state public official may receive and retain anything of value if the activity or occasion for which it is given is unrelated to the official's use of the state's time, facilities, services or supplies not generally available to all citizens of this state and the official can show by clear and convincing evidence that the payment or reimbursement was unrelated to and did not arise from the recipient's holding or having held a public office and was paid for a purpose unrelated to the purposes specified in sub. (1).

(c) A state public official may receive and retain from the state or on behalf of the state transportation, lodging, meals, food or beverage, or reimbursement therefor or payment or reimbursement of actual and reasonable costs that the official can show by clear and convincing evidence were incurred or received on behalf of the state of Wisconsin and primarily for the benefit of the state and not primarily for the private benefit of the official or any other person.

(d) A state public official may receive and retain from a political committee under ch. 11 transportation, lodging, meals, food or beverage, or reimbursement therefor or payment or reimbursement of costs permitted and reported in accordance with ch. 11.

(e) A state public official who is an officer or employee of the Wisconsin Economic Development Corporation may solicit, receive and retain on behalf of the state anything of value for the purpose of any of the following:

1. The sponsorship by the Wisconsin Economic Development Corporation of a trip to a foreign country primarily to promote trade between that country and this state that the Wisconsin Economic Development Corporation can demonstrate through clear and convincing evidence is primarily for the benefit of this state.

2. Hosting individuals in order to promote business, economic development, tourism or conferences sponsored by multi-state, national or international associations of governments or governmental officials.

(em) A state public official who is an officer or employee of the department of tourism may solicit, receive and retain on behalf of the state anything of value for the purpose of hosting individuals in order to promote tourism.

(f) A state public official or a local public official may receive and retain from the Wisconsin Economic Development Corporation anything of value which the Wisconsin Economic Development Corporation is authorized to provide under par. (e) and may receive and retain from the department of tourism anything of value which the department of tourism is authorized to provide under par. (em).

(4) If a state public official receives a payment not authorized by this subchapter, in cash or otherwise, for a published work or a talk or meeting, the official may not retain it. If practicable, the official shall deposit it with the department or municipality with which he or she is associated or, in the case of a justice or judge of a court of record, with the director of state courts. If that is not practicable, the official shall return it or its equivalent to the payor or convey it to the state or to a charitable organization other than one with which he or she is associated.

**History:** 1977 c. 277; 1983 a. 61, 538; 1985 a. 203; 1989 a. 31, 338; 1991 a. 39; 1995 a. 27 ss. 455 to 457, 9116 (5); 2011 a. 32; 2015 a. 118 s. 266 (10); 2017 a. 112.

The interaction of s. 19.56 with the prohibition against furnishing anything of pecuniary value to state officials under s. 13.625 is discussed. 80 Att’y. Gen. 205.

**19.57 Conferences, visits and economic development activities.** The Wisconsin Economic Development Corporation shall file a report with the commission no later than April 30 annually, specifying the source and amount of anything of value received by the Wisconsin Economic Development Corporation during the preceding calendar year for a purpose specified in s. 19.56 (3) (e), and the program or activity in connection with which the thing is received, together with the location and date of that program or activity.

**History:** 1991 a. 39; 1995 a. 27 s. 9116 (5); 2011 a. 32; 2015 a. 118 s. 266 (10).

**19.575 Tourism activities.** The department of tourism shall file a report with the commission no later than April 30 annually, specifying the source and amount of anything of value received by the department of tourism during the preceding calendar year for a purpose specified in s. 19.56 (3) (em) and the program or activity in connection with which the thing is received, together with the location and date of that program or activity.

**History:** 1995 a. 27; 2015 a. 118 s. 266 (10).

**19.579 Civil penalties.** (1) Except as provided in sub. (2), any person who violates this subchapter may be required to forfeit not more than \$500 for each violation of s. 19.43, 19.44, or 19.56 (2) or not more than \$5,000 for each violation of any other provision of this subchapter. If the court determines that the accused has realized economic gain as a result of the violation, the court may, in addition, order the accused to forfeit the amount gained as a result of the violation. In addition, if the court determines that a state public official has violated s. 19.45 (13), the court may

order the official to forfeit an amount equal to the amount or value of any political contribution, service, or other thing of value that was wrongfully obtained. If the court determines that a state public official has violated s. 19.45 (13) and no political contribution, service, or other thing of value was obtained, the court may order the official to forfeit an amount equal to the maximum contribution authorized under s. 11.1101 (1) for the office held or sought by the official, whichever amount is greater. The attorney general, when so requested by the commission, shall institute proceedings to recover any forfeiture incurred under this section which is not paid by the person against whom it is assessed.

(2) Any person who violates s. 19.45 (13) may be required to forfeit not more than \$5,000.

**History:** 2003 a. 39; 2007 a. 1 ss. 121, 130, 131; 2015 a. 117; 2015 a. 118 s. 266 (10).

**19.58 Criminal penalties.** (1) (a) Any person who intentionally violates any provision of this subchapter except s. 19.45 (13) or 19.59 (1) (br), or a code of ethics adopted or established under s. 19.45 (11) (a) or (b), shall be fined not less than \$100 nor more than \$5,000 or imprisoned not more than one year in the county jail or both.

(b) Any person who intentionally violates s. 19.45 (13) or 19.59 (1) (br) is guilty of a Class I felony.

(2) The penalties under sub. (1) do not limit the power of either house of the legislature to discipline its own members or to impeach a public official, or limit the power of a department to discipline its state public officials or employees.

(3) In this section “intentionally” has the meaning given under s. 939.23.

(4) A person who violates s. 19.50 may be fined not more than \$10,000 or imprisoned for not more than 9 months or both.

**History:** 1973 c. 90; Stats. 1973 s. 11.10; 1973 c. 334 ss. 33, 57, 58; Stats. 1973 s. 19.50; 1975 c. 200; 1977 c. 277 ss. 34, 37; Stats. 1977 s. 19.58; 2003 a. 39; 2015 a. 118.

**19.59 Codes of ethics for local government officials, employees and candidates.** (1) (a) No local public official may use his or her public position or office to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated. A violation of this paragraph includes the acceptance of free or discounted admissions to a professional baseball or football game by a member of the district board of a local professional baseball park district created under subch. III of ch. 229 or a local professional football stadium district created under subch. IV of ch. 229. This paragraph does not prohibit a local public official from using the title or prestige of his or her office to obtain campaign contributions that are permitted and reported as required by ch. 11. This paragraph does not prohibit a local public official from obtaining anything of value from the Wisconsin Economic Development Corporation or the department of tourism, as provided under s. 19.56 (3) (f).

(b) No person may offer or give to a local public official, directly or indirectly, and no local public official may solicit or accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the local public official’s vote, official actions or judgment, or could reasonably be considered as a reward for any official action or inaction on the part of the local public official. This paragraph does not prohibit a local public official from engaging in outside employment.

(br) No local public official or candidate for local public office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any committee registered under ch. 11, or any person making a communication that contains a ref-

erence to a clearly identified local public official holding an elective office or to a candidate for local public office.

(c) Except as otherwise provided in par. (d), no local public official may:

1. Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.

2. Use his or her office or position in a way that produces or assists in the production of a substantial benefit, direct or indirect, for the official, one or more members of the official's immediate family either separately or together, or an organization with which the official is associated.

(d) Paragraph (c) does not prohibit a local public official from taking any action concerning the lawful payment of salaries or employee benefits or reimbursement of actual and necessary expenses, or prohibit a local public official from taking official action with respect to any proposal to modify a county or municipal ordinance.

(f) Paragraphs (a) to (c) do not apply to the members of a local committee appointed under s. 289.33 (7) (a) to negotiate with the owner or operator of, or applicant for a license to operate, a solid waste disposal or hazardous waste facility under s. 289.33, with respect to any matter contained or proposed to be contained in a written agreement between a municipality and the owner, operator or applicant or in an arbitration award or proposed award that is applicable to those parties.

(g) 1. In this paragraph:

a. "District" means a local professional baseball park district created under subch. III of ch. 229 or a local professional football stadium district created under subch. IV of ch. 229.

b. "District board member" means a member of the district board of a district.

2. No district board member may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with this paragraph.

3. A district board member may receive and retain reimbursement or payment of actual and reasonable expenses for a published work or for the presentation of a talk or participation in a meeting related to processes, proposals and issues affecting a district if the payment or reimbursement is paid or arranged by the organizer of the event or the publisher of the work.

4. A district board member may receive and retain anything of value if the activity or occasion for which it is given is unrelated to the member's use of the time, facilities, services or supplies of the district not generally available to all residents of the district and the member can show by clear and convincing evidence that the payment or reimbursement was unrelated to and did not arise from the recipient's holding or having held a public office and was paid for a purpose unrelated to the purposes specified in subd. 3.

5. A district board member may receive and retain from the district or on behalf of the district transportation, lodging, meals, food or beverage, or reimbursement therefor or payment or reimbursement of actual and reasonable costs that the member can show by clear and convincing evidence were incurred or received on behalf of the district and primarily for the benefit of the district and not primarily for the private benefit of the member or any other person.

6. No district board member may intentionally use or disclose information gained in the course of or by reason of his or her official position or activities in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family, or for any other person, if the information has not been communicated to the public or is not public information.

7. No district board member may use or attempt to use the position held by the member to influence or gain unlawful benefits, advantages or privileges personally or for others.

8. No district board member, member of a district board member's immediate family, nor any organization with which the district board member or a member of the district board member's immediate family owns or controls at least 10 percent of the outstanding equity, voting rights, or outstanding indebtedness may enter into any contract or lease involving a payment or payments of more than \$3,000 within a 12-month period, in whole or in part derived from district funds unless the district board member has first made written disclosure of the nature and extent of such relationship or interest to the commission and to the district. Any contract or lease entered into in violation of this subdivision may be voided by the district in an action commenced within 3 years of the date on which the commission, or the district, knew or should have known that a violation of this subdivision had occurred. This subdivision does not affect the application of s. 946.13.

9. No former district board member, for 12 months following the date on which he or she ceases to be a district board member, may, for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of the district with which he or she was associated as a district board member within 12 months prior to the date on which he or she ceased to be a district board member.

10. No former district board member, for 12 months following the date on which he or she ceases to be a district board member, may, for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of a district with which he or she was associated as a district board member in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding which was under the former member's responsibility as a district board member within 12 months prior to the date on which he or she ceased to be a member.

11. No former district board member may, for compensation, act on behalf of any party other than the district with which he or she was associated as a district board member in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding in which the former member participated personally and substantially as a district board member.

(1m) In addition to the requirements of sub. (1), any county, city, village or town may enact an ordinance establishing a code of ethics for public officials and employees of the county or municipality and candidates for county or municipal elective offices.

(2) An ordinance enacted under this section shall specify the positions to which it applies. The ordinance may apply to members of the immediate family of individuals who hold positions or who are candidates for positions to which the ordinance applies.

(3) An ordinance enacted under this section may contain any of the following provisions:

(a) A requirement for local public officials, other employees of the county or municipality and candidates for local public office to identify any of the economic interests specified in s. 19.44.

(b) A provision directing the county or municipal clerk or board of election commissioners to omit the name of any candidate from an election ballot who fails to disclose his or her economic interests in accordance with the requirements of the ordinance.

(c) A provision directing the county or municipal treasurer to withhold the payment of salaries or expenses from any local public official or other employee of the county or municipality who fails to disclose his or her economic interests in accordance with the requirements of the ordinance.

(d) A provision vesting administration and civil enforcement of the ordinance with an ethics board appointed in a manner specified in the ordinance. A board created under this paragraph may



issue subpoenas, administer oaths and investigate any violation of the ordinance on its own motion or upon complaint by any person. The ordinance may empower the board to issue opinions upon request. Records of the board's opinions, opinion requests and investigations of violations of the ordinance may be closed in whole or in part to public inspection if the ordinance so provides.

(e) Provisions prescribing ethical standards of conduct and prohibiting conflicts of interest on the part of local public officials and other employees of the county or municipality or on the part of former local public officials or former employees of the county or municipality.

(f) A provision prescribing a forfeiture for violation of the ordinance in an amount not exceeding \$1,000 for each offense. A minimum forfeiture not exceeding \$100 for each offense may also be prescribed.

(4) This section may not be construed to limit the authority of a county, city, village or town to regulate the conduct of its officials and employees to the extent that it has authority to regulate that conduct under the constitution or other laws.

(5) (a) Any individual, either personally or on behalf of an organization or governmental body, may request of a county or municipal ethics board, or, in the absence of a county or municipal ethics board, a county corporation counsel or attorney for a local governmental unit, an advisory opinion regarding the propriety of any matter to which the person is or may become a party. Any appointing officer, with the consent of a prospective appointee, may request of a county or municipal ethics board, or, in the absence of a county or municipal ethics board, a county corporation counsel or attorney for a local governmental unit an advisory opinion regarding the propriety of any matter to which the prospective appointee is or may become a party. The county or municipal ethics board or the county corporation counsel or attorney shall review a request for an advisory opinion and may advise the person making the request. Advisory opinions and requests therefor shall be in writing. It is prima facie evidence of intent to comply with this section or any ordinance enacted under this section when a person refers a matter to a county or municipal ethics board or a county corporation counsel or attorney for a local governmental unit and abides by the advisory opinion, if the material facts are as stated in the opinion request. A county or municipal ethics board may authorize a county corporation counsel or attorney to act in its stead in instances where delay is of substantial inconvenience or detriment to the requesting party. Except as provided in par. (b), neither a county corporation counsel or attorney for a local governmental unit nor a member or agent of a county or municipal ethics board may make public the identity of an individual requesting an advisory opinion or of individuals or organizations mentioned in the opinion.

(b) A county or municipal ethics board, county corporation counsel or attorney for a local governmental unit replying to a request for an advisory opinion may make the opinion public with the consent of the individual requesting the advisory opinion or the organization or governmental body on whose behalf it is requested and may make public a summary of an advisory opinion issued under this subsection after making sufficient alterations in the summary to prevent disclosing the identities of individuals involved in the opinion. A person who makes or purports to make public the substance of or any portion of an advisory opinion requested by or on behalf of the person waives the confidentiality of the request for an advisory opinion and of any records obtained or prepared by the county or municipal ethics board, the county corporation counsel or the attorney for the local governmental unit in connection with the request for an advisory opinion.

(6) Any county corporation counsel, attorney for a local governmental unit or statewide association of local governmental units may request the commission to issue an opinion concerning the interpretation of this section. The commission shall review such a request and may advise the person making the request.

(7) (a) Any person who violates sub. (1) may be required to forfeit not more than \$1,000 for each violation, and, if the court determines that the accused has violated sub. (1) (br), the court may, in addition, order the accused to forfeit an amount equal to the amount or value of any political contribution, service, or other thing of value that was wrongfully obtained.

(b) Any person who violates sub. (1) may be required to forfeit not more than \$1,000 for each violation, and, if the court determines that a local public official has violated sub. (1) (br) and no political contribution, service or other thing of value was obtained, the court may, in addition, order the accused to forfeit an amount equal to the maximum contribution authorized under s. 11.1101 (1) for the office held or sought by the official, whichever amount is greater.

(8) (a) Subsection (1) shall be enforced in the name and on behalf of the state by action of the district attorney of any county wherein a violation may occur, upon the verified complaint of any person.

(b) In addition and supplementary to the remedy provided in sub. (7), the district attorney may commence an action, separately or in conjunction with an action brought to obtain the remedy provided in sub. (7), to obtain such other legal or equitable relief, including but not limited to mandamus, injunction or declaratory judgment, as may be appropriate under the circumstances.

(c) If the district attorney fails to commence an action to enforce sub. (1) (a), (b), or (c) to (g) within 20 days after receiving a verified complaint or if the district attorney refuses to commence such an action, the person making the complaint may petition the attorney general to act upon the complaint. The attorney general may then bring an action under par. (a) or (b), or both.

(cm) No complaint alleging a violation of sub. (1) (br) may be filed during the period beginning 120 days before a general or spring election, or during the period commencing on the date of the order of a special election under s. 8.50, and ending on the date of that election, against a candidate who files a declaration of candidacy to have his or her name appear on the ballot at that election.

(cn) If the district attorney for the county in which a violation of sub. (1) (br) is alleged to occur receives a verified complaint alleging a violation of sub. (1) (br), the district attorney shall, within 30 days after receipt of the complaint, either commence an investigation of the allegations contained in the complaint or dismiss the complaint. If the district attorney dismisses the complaint, with or without investigation, the district attorney shall notify the complainant in writing. Upon receiving notification of the dismissal, the complainant may then file the complaint with the attorney general or the district attorney for a county that is adjacent to the county in which the violation is alleged to occur. The attorney general or district attorney may then investigate the allegations contained in the complaint and commence a prosecution.

(d) If the district attorney prevails in such an action, the court shall award any forfeiture recovered together with reasonable costs to the county wherein the violation occurs. If the attorney general prevails in such an action, the court shall award any forfeiture recovered together with reasonable costs to the state.

**History:** 1979 c. 120; 1981 c. 149; 1981 c. 335 s. 26; 1983 a. 166 s. 16; 1991 a. 39, 269; 1995 a. 56, 227; 1999 a. 167; 2001 a. 109; 2003 a. 39; 2007 a. 1; 2015 a. 117; 2015 a. 118 ss. 204, 266 (10); 2017 a. 112.

## SUBCHAPTER IV

### PERSONAL INFORMATION PRACTICES

**19.62 Definitions.** In this subchapter:

(1) "Authority" has the meaning specified in s. 19.32 (1).

(2) "Internet protocol address" means an identifier for a computer or device on a transmission control protocol–Internet protocol network.

(3) “Matching program” means the computerized comparison of information in one records series to information in another records series for use by an authority or a federal agency to establish or verify an individual’s eligibility for any right, privilege or benefit or to recoup payments or delinquent debts under programs of an authority or federal agency.

(5) “Personally identifiable information” means information that can be associated with a particular individual through one or more identifiers or other information or circumstances.

(6) “Record” has the meaning specified in s. 19.32 (2).

(7) “Records series” means records that are arranged under a manual or automated filing system, or are kept together as a unit, because they relate to a particular subject, result from the same activity or have a particular form.

(8) “State authority” means an authority that is a state elected official, agency, board, commission, committee, council, department or public body corporate and politic created by constitution, statute, rule or order; a state governmental or quasi-governmental corporation; the supreme court or court of appeals; or the assembly or senate.

History: 1991 a. 39; 1993 a. 215; 1995 a. 27; 1997 a. 79; 2001 a. 16; 2007 a. 20.

#### 19.65 Rules of conduct; employee training; and security. An authority shall do all of the following:

(1) Develop rules of conduct for its employees who are involved in collecting, maintaining, using, providing access to, sharing or archiving personally identifiable information.

(2) Ensure that the persons identified in sub. (1) know their duties and responsibilities relating to protecting personal privacy, including applicable state and federal laws.

History: 1991 a. 39.

**19.67 Data collection.** (1) COLLECTION FROM DATA SUBJECT OR VERIFICATION. An authority that maintains personally identifiable information that may result in an adverse determination about any individual’s rights, benefits or privileges shall, to the greatest extent practicable, do at least one of the following:

(a) Collect the information directly from the individual.

(b) Verify the information, if collected from another person.

History: 1991 a. 39.

**19.68 Collection of personally identifiable information from Internet users.** No state authority that maintains an Internet site may use that site to obtain personally identifiable information from any person who visits that site without the consent of the person from whom the information is obtained. This section does not apply to acquisition of Internet protocol addresses.

History: 2001 a. 16.

**19.69 Computer matching.** (1) MATCHING SPECIFICATION. A state authority may not use or allow the use of personally identifiable information maintained by the state authority in a match under a matching program, or provide personally identifiable information for use in a match under a matching program, unless the state authority has specified in writing all of the following for the matching program:

(a) The purpose and legal authority for the matching program.

(b) The justification for the program and the anticipated results, including an estimate of any savings.

(c) A description of the information that will be matched.

(2) COPY TO PUBLIC RECORDS BOARD. A state authority that prepares a written specification of a matching program under sub. (1) shall provide to the public records board a copy of the specification and any subsequent revision of the specification within 30 days after the state authority prepares the specification or the revision.

(3) NOTICE OF ADVERSE ACTION. (a) Except as provided under par. (b), a state authority may not take an adverse action against an individual as a result of information produced by a matching

program until after the state authority has notified the individual, in writing, of the proposed action.

(b) A state authority may grant an exception to par. (a) if it finds that the information in the records series is sufficiently reliable.

(4) NONAPPLICABILITY. This section does not apply to any matching program established between the secretary of transportation and the commissioner of the federal social security administration pursuant to an agreement specified under s. 85.61 (2).

History: 1991 a. 39, 269; 1995 a. 27; 2003 a. 265.

**19.70 Rights of data subject to challenge; authority corrections.** (1) Except as provided under sub. (2), an individual or person authorized by the individual may challenge the accuracy of a record containing personally identifiable information pertaining to the individual that is maintained by an authority if the individual is authorized to inspect the record under s. 19.35 (1) (a) or (am) and the individual notifies the authority, in writing, of the challenge. After receiving the notice, the authority shall do one of the following:

(a) Concur with the challenge and correct the information.

(b) Deny the challenge, notify the individual or person authorized by the individual of the denial and allow the individual or person authorized by the individual to file a concise statement setting forth the reasons for the individual’s disagreement with the disputed portion of the record. A state authority that denies a challenge shall also notify the individual or person authorized by the individual of the reasons for the denial.

(2) This section does not apply to any of the following records:

(a) Any record transferred to an archival depository under s. 16.61 (13).

(b) Any record pertaining to an individual if a specific state statute or federal law governs challenges to the accuracy of the record.

History: 1991 a. 269 ss. 27d, 27e, 35am, 37am, 39am; 2013 a. 171 s. 16; Stats. 2013 s. 19.70.

**19.71 Sale of names or addresses.** An authority may not sell or rent a record containing an individual’s name or address of residence, unless specifically authorized by state law. The collection of fees under s. 19.35 (3) is not a sale or rental under this section.

History: 1991 a. 39.

**19.77 Summary of case law and attorney general opinions.** Annually, the attorney general shall summarize case law and attorney general opinions relating to due process and other legal issues involving the collection, maintenance, use, provision of access to, sharing or archiving of personally identifiable information by authorities. The attorney general shall provide the summary, at no charge, to interested persons.

History: 1991 a. 39.

**19.80 Penalties.** (2) EMPLOYEE DISCIPLINE. Any person employed by an authority who violates this subchapter may be discharged or suspended without pay.

(3) PENALTIES. (a) Any person who willfully collects, discloses or maintains personally identifiable information in violation of federal or state law may be required to forfeit not more than \$500 for each violation.

(b) Any person who willfully requests or obtains personally identifiable information from an authority under false pretenses may be required to forfeit not more than \$500 for each violation.

History: 1991 a. 39, 269.

## SUBCHAPTER V

### OPEN MEETINGS OF GOVERNMENTAL BODIES

**19.81 Declaration of policy.** (1) In recognition of the fact that a representative government of the American type is depen-

dent upon an informed electorate, it is declared to be the policy of this state that the public is entitled to the fullest and most complete information regarding the affairs of government as is compatible with the conduct of governmental business.

(2) To implement and ensure the public policy herein expressed, all meetings of all state and local governmental bodies shall be publicly held in places reasonably accessible to members of the public and shall be open to all citizens at all times unless otherwise expressly provided by law.

(3) In conformance with **article IV, section 10**, of the constitution, which states that the doors of each house shall remain open, except when the public welfare requires secrecy, it is declared to be the intent of the legislature to comply to the fullest extent with this subchapter.

(4) This subchapter shall be liberally construed to achieve the purposes set forth in this section, and the rule that penal statutes must be strictly construed shall be limited to the enforcement of forfeitures and shall not otherwise apply to actions brought under this subchapter or to interpretations thereof.

**History:** 1975 c. 426; 1983 a. 192.

**NOTE:** The following annotations relate to s. 66.77, repealed by **Chapter 426, laws of 1975**.

Subsequent to the presentation of evidence by the taxpayer, a board of review's consideration of testimony by the village assessor at an executive session was contrary to the open meeting law. Although it was permissible for the board to convene a closed session for the purpose of deliberating after a quasi-judicial hearing, the proceedings did not constitute mere deliberations but were a continuation of the quasi-judicial hearing without the presence of or notice to the objecting taxpayer. *Dolphin v. Butler Board of Review*, 70 Wis. 2d 403, 234 N.W.2d 277 (1975).

The open meeting law is not applicable to the judicial commission. *State ex rel. Lynch v. Dancy*, 71 Wis. 2d 287, 238 N.W.2d 81 (1976).

A regular open meeting, held subsequent to a closed meeting on another subject, does not constitute a reconvened open meeting when there was no prior open meeting on that day. 58 Atty. Gen. 41.

Consideration of a resolution is a formal action of an administrative or minor governing body and when taken in proper closed session, the resolution and result of the vote must be made available for public inspection, pursuant to s. 19.21, absent a specific showing that the public interest would be adversely affected. 60 Atty. Gen. 9.

Joint apprenticeship committees, appointed pursuant to Wis. Adm. Code provisions, are governmental bodies and subject to the requirements of the open meeting law. 63 Atty. Gen. 363.

Voting procedures employed by worker's compensation and unemployment advisory councils that utilized adjournment of public meeting for purposes of having members representing employers and members representing employees or workers to separately meet in closed caucuses and to vote as a block on reconvening was contrary to the open records law. 63 Atty. Gen. 414.

A governmental body can call closed sessions for proper purposes without giving notice to members of the news media who have filed written requests. 63 Atty. Gen. 470.

The meaning of "communication" is discussed with reference to giving the public and news media members adequate notice. 63 Atty. Gen. 509.

The posting in the governor's office of agenda of future investment board meetings is not sufficient communication to the public or the news media who have filed a written request for notice. 63 Atty. Gen. 549.

A county board may not utilize an unidentified paper ballot in voting to appoint a county highway commissioner, but may vote by ayes and nays or show of hands at an open session if some member does not require the vote to be taken in such manner that the vote of each member may be ascertained and recorded. 63 Atty. Gen. 569.

**NOTE:** The following annotations refer to ss. 19.81 to 19.98.

When the city of Milwaukee and a private non-profit festival organization incorporated the open meetings law into a contract, the contract allowed public enforcement of the contractual provisions concerning open meetings. *Journal/Sentinel, Inc. v. Pleva*, 155 Wis. 2d 704, 456 N.W.2d 359 (1990).

Sub. (2) requires that a meeting be held in a facility that gives reasonable public access, not total access. No person may be systematically excluded or arbitrarily refused admittance. *State ex rel. Badke v. Greendale Village Bd.* 173 Wis. 2d 553, 494 N.W.2d 408 (1993).

This subchapter is discussed. 65 Atty. Gen. preface.

Public notice requirements for meetings of a city district school board under this subchapter and s. 120.48, 1983 stats., are discussed. 66 Atty. Gen. 93.

A volunteer fire department organized as a nonprofit corporation under s. 213.05 is not subject to the open meeting law. 66 Atty. Gen. 113.

Anyone has the right to tape-record an open meeting of a governmental body provided the meeting is not thereby physically disrupted. 66 Atty. Gen. 318.

The open meeting law does not apply to a coroner's inquest. 67 Atty. Gen. 250.

The open meeting law does not apply if the common council hears a grievance under a collective bargaining agreement. 67 Atty. Gen. 276.

The application of the open meeting law to the duties of WERC is discussed. 68 Atty. Gen. 171.

A senate committee meeting was probably held in violation of the open meetings law although there was never any intention prior to the gathering to attempt to debate any matter of policy, to reach agreement on differences, to make any decisions on any bill or part thereof, to take any votes, or to resolve substantive differences. Quorum gatherings should be presumed to be in violation of the law, due to a quorum's ability

to thereafter call, compose and control by vote a formal meeting of a governmental body. 71 Atty. Gen. 63.

Nonstock corporations created by statute as bodies politic clearly fall within the term "governmental body" as defined in the open meetings law and are subject to the provisions of the open meetings law. Nonstock corporations that were not created by the legislature or by rule, but were created by private citizens are not bodies politic and not governmental bodies. 73 Atty. Gen. 53.

Understanding Wisconsin's open meeting law. Harvey, WBB September 1980.

Getting the Best of Both Worlds: Open Government and Economic Development. Westerberg. Wis. Law. Feb. 2009.

An Intro to Understanding Wisconsin's Open Meetings Law. Block. Wis. Law. Dec. 2015.

**19.82 Definitions.** As used in this subchapter:

(1) "Governmental body" means a state or local agency, board, commission, committee, council, department or public body corporate and politic created by constitution, statute, ordinance, rule or order; a governmental or quasi-governmental corporation except for the Bradley center sports and entertainment corporation; a local exposition district under subch. II of ch. 229; a long-term care district under s. 46.2895; or a formally constituted subunit of any of the foregoing, but excludes any such body or committee or subunit of such body which is formed for or meeting for the purpose of collective bargaining under subch. I, IV, or V of ch. 111.

(2) "Meeting" means the convening of members of a governmental body for the purpose of exercising the responsibilities, authority, power or duties delegated to or vested in the body. If one-half or more of the members of a governmental body are present, the meeting is rebuttably presumed to be for the purpose of exercising the responsibilities, authority, power or duties delegated to or vested in the body. The term does not include any social or chance gathering or conference which is not intended to avoid this subchapter, any gathering of the members of a town board for the purpose specified in s. 60.50 (6), any gathering of the commissioners of a town sanitary district for the purpose specified in s. 60.77 (5) (k), or any gathering of the members of a drainage board created under s. 88.16, 1991 stats., or under s. 88.17, for a purpose specified in s. 88.065 (5) (a).

(3) "Open session" means a meeting which is held in a place reasonably accessible to members of the public and open to all citizens at all times. In the case of a state governmental body, it means a meeting which is held in a building and room thereof which enables access by persons with functional limitations, as defined in s. 101.13 (1).

**History:** 1975 c. 426; 1977 c. 364, 447; 1985 a. 26, 29, 332; 1987 a. 305; 1993 a. 215, 263, 456, 491; 1995 a. 27, 185; 1997 a. 79; 1999 a. 9; 2007 a. 20, 96; 2009 a. 28; 2011 a. 10.

A "meeting" under sub. (2) was found although the governmental body was not empowered to exercise the final powers of its parent body. *State v. Swanson*, 92 Wis. 2d 310, 284 N.W.2d 655 (1979).

A "meeting" under sub. (2) was found when members met with a purpose to engage in government business and the number of members present was sufficient to determine the parent body's course of action regarding the proposal discussed. *State ex rel. Newspapers v. Showers*, 135 Wis. 2d 77, 398 N.W.2d 154 (1987).

The open meetings law is not meant to apply to single-member governmental bodies. Sub. (2) speaks of a meeting of the members, plural, implying there must be at least two members of a governmental body. *Plourde v. Berends*, 2006 WI App 147, 294 Wis. 2d 746, 720 N.W.2d 130, 05–2106.

When a quorum of a governmental body attends the meeting of another governmental body when any one of the members is not also a member of the second body, the gathering is a "meeting," unless the gathering is social or by chance. *State ex rel. Badke v. Greendale Village Board*, 173 Wis. 2d 553, 494 N.W.2d 408 (1993).

A corporation is quasi-governmental if, based on the totality of circumstances, it resembles a governmental corporation in function, effect, or status, requiring a case-by-case analysis. Here, a primary consideration was that the body was funded exclusively by public tax dollars or interest thereon. Additionally, its office was located in the municipal building, it was listed on the city Web site, the city provided it with clerical support and office supplies, all its assets revert to the city if it ceases to exist, its books are open for city inspection, the mayor and another city official are directors, and it had no clients other than the city. *State v. Beaver Dam Area Development Corporation*, 2008 WI 90, 312 Wis. 2d 84, 752 N.W.2d 295, 06–0662.

A particular group of members of the government compose a governmental body if there is a constitution, statute, ordinance, rule, or order conferring collective power and defining when it exists. To cause a body to exist, the relevant directive must confer upon it the collective responsibilities, authority, power, or duties necessary to a governmental body's existence under the open meetings law. The creation of a governmental body is not triggered merely by any deliberate meetings involving governmental business between 2 or more officials. Loosely organized, ad hoc gatherings of government employees, without more, do not constitute governmental bodies. Rather, an entity must exist that has the power to take collective action that the members could not take individually. *Krueger v. Appleton Area School District Board of Education*, 2017 WI 70, 376 Wis. 2d 239, 898 N.W.2d 35, 15–0231.



When a governmental entity adopts a rule authorizing the formation of committees and conferring on them the power to take collective action, such committees are created by rule under sub. (1) and the open meetings law applies to them. Here, a school board provided that the review of educational materials should be done according to the board-approved handbook. The handbook, in turn, authorized the formation of committees with a defined membership and the power to review educational materials and make formal recommendations for board approval. Because the committee in question was formed as one of these committees, pursuant to the authority delegated from the board by rule and the handbook, it was created by rule and therefore was a “governmental body” under sub. (1). *Krueger v. Appleton Area School District Board of Education*, 2017 WI 70, 376 Wis. 2d 239, 898 N.W.2d 35, 15–0231.

Under *Showers*, 135 Wis. 2d 77, the open meetings law may apply to a walking quorum. A walking quorum is a series of gatherings among separate groups of members of a governmental body, each less than quorum size, who agree, tacitly or explicitly, to act uniformly in sufficient number to reach a quorum. To establish a walking quorum, a plaintiff must prove that members of a governmental body purposefully engaged in discussions of governmental business and that the discussions were held between a sufficient number of members so as to affect the vote. *Zecchino v. Dane County*, 2018 WI App 19, 380 Wis. 2d 453, 909 N.W.2d 203, 17–0002.

A municipal public utility commission managing a city owned public electric utility is a governmental body under sub. (1). 65 Atty. Gen. 243.

A “private conference” under s. 118.22 (3), on nonrenewal of a teacher’s contract is a “meeting” within s. 19.82 (2). 66 Atty. Gen. 211.

A private home may qualify as a meeting place under sub. (3). 67 Atty. Gen. 125. A telephone conference call involving members of governmental body is a “meeting” that must be reasonably accessible to the public and public notice must be given. 69 Atty. Gen. 143.

A “quasi-governmental corporation” in sub. (1) includes private corporations that closely resemble governmental corporations in function, effect, or status. 80 Atty. Gen. 129.

Election canvassing boards operating under ss. 7.51, 7.53, and 7.60 are governmental bodies subject to the open meetings law — including the public notice, open session, and reasonable public access requirements — when they convene for the purpose of carrying out their statutory canvassing activities, but not when they are gathered only as individual inspectors fulfilling administrative duties. OAG 5–14.

**19.83 Meetings of governmental bodies.** (1) Every meeting of a governmental body shall be preceded by public notice as provided in s. 19.84, and shall be held in open session. At any meeting of a governmental body, all discussion shall be held and all action of any kind, formal or informal, shall be initiated, deliberated upon and acted upon only in open session except as provided in s. 19.85.

(2) During a period of public comment under s. 19.84 (2), a governmental body may discuss any matter raised by the public.

**History:** 1975 c. 426; 1997 a. 123.

When a quorum of a governmental body attends the meeting of another governmental body when any one of the members is not also a member of the second body, the gathering is a “meeting,” unless the gathering is social or by chance. *State ex rel. Badke v. Greendale Village Board*, 173 Wis. 2d 553, 494 N.W.2d 408 (1993).

**19.84 Public notice.** (1) Public notice of all meetings of a governmental body shall be given in the following manner:

(a) As required by any other statutes; and

(b) By communication from the chief presiding officer of a governmental body or such person’s designee to the public, to those news media who have filed a written request for such notice, and to the official newspaper designated under ss. 985.04, 985.05 and 985.06 or, if none exists, to a news medium likely to give notice in the area.

(2) Every public notice of a meeting of a governmental body shall set forth the time, date, place and subject matter of the meeting, including that intended for consideration at any contemplated closed session, in such form as is reasonably likely to apprise members of the public and the news media thereof. The public notice of a meeting of a governmental body may provide for a period of public comment, during which the body may receive information from members of the public.

(3) Public notice of every meeting of a governmental body shall be given at least 24 hours prior to the commencement of such meeting unless for good cause such notice is impossible or impractical, in which case shorter notice may be given, but in no case may the notice be provided less than 2 hours in advance of the meeting.

(4) Separate public notice shall be given for each meeting of a governmental body at a time and date reasonably proximate to the time and date of the meeting.

(5) Departments and their subunits in any University of Wisconsin System institution or campus are exempt from the requirements of subs. (1) to (4) but shall provide meeting notice which

is reasonably likely to apprise interested persons, and news media who have filed written requests for such notice.

(6) Notwithstanding the requirements of s. 19.83 and the requirements of this section, a governmental body which is a formally constituted subunit of a parent governmental body may conduct a meeting without public notice as required by this section during a lawful meeting of the parent governmental body, during a recess in such meeting or immediately after such meeting for the purpose of discussing or acting upon a matter which was the subject of that meeting of the parent governmental body. The presiding officer of the parent governmental body shall publicly announce the time, place and subject matter of the meeting of the subunit in advance at the meeting of the parent body.

**History:** 1975 c. 426; 1987 a. 305; 1993 a. 215; 1997 a. 123; 2007 a. 20.

There is no requirement in this section that the notice provided be exactly correct in every detail. *State ex rel. Olson v. City of Baraboo Joint Review Board*, 2002 WI App 64, 252 Wis. 2d 628, 643 N.W.2d 796, 01–0201.

Sub. (2) does not expressly require that the notice indicate whether a meeting will be purely deliberative or if action will be taken. The notice must alert the public of the importance of the meeting. Although a failure to expressly state whether action will be taken could be a violation, the importance of knowing whether a vote would be taken is diminished when no input from the audience is allowed or required. *State ex rel. Olson v. City of Baraboo Joint Review Board*, 2002 WI App 64, 252 Wis. 2d 628, 643 N.W.2d 796, 01–0201.

Sub. (2) sets forth a reasonableness standard for determining whether notice of a meeting is sufficient that strikes the proper balance between the public’s right to information and the government’s need to efficiently conduct its business. The standard requires taking into account the circumstances of the case, which includes analyzing such factors as the burden of providing more detailed notice, whether the subject is of particular public interest, and whether it involves non-routine action that the public would be unlikely to anticipate. *Buswell v. Tomah Area School District*, 2007 WI 71, 301 Wis. 2d 178, 732 N.W.2d 804, 05–2998.

The supreme court declined to review the validity of the procedure used to give notice of a joint legislative committee on conference alleged to violate the sub. (3) 24-hour notice requirement. The court will not determine whether internal operating rules or procedural statutes have been complied with by the legislature in the course of its enactments and will not intermeddle in what it views, in the absence of constitutional directives to the contrary, to be purely legislative concerns. *Ozanne v. Fitzgerald*, 2011 WI 43, 334 Wis. 2d 70, 798 N.W.2d 436, 11–0613.

Under sub. (1) (b), a written request for notice of meetings of a governmental body should be filed with the chief presiding officer or designee and a separate written request should be filed with each specific governmental body. 65 Atty. Gen. 166.

The method of giving notice pursuant to sub. (1) is discussed. 65 Atty. Gen. 250.

The specificity of notice required by a governmental body is discussed. 66 Atty. Gen. 143, 195.

The requirements of notice given to newspapers under this section is discussed. 66 Atty. Gen. 230.

A town board, but not an annual town meeting, is a “governmental body” within the meaning of the open meetings law. 66 Atty. Gen. 237.

News media who have filed written requests for notices of public meetings cannot be charged fees by governmental bodies for communication of the notices. 77 Atty. Gen. 312.

A newspaper is not obligated to print a notice received under sub. (1) (b), nor is governmental body obligated to pay for publication. *Martin v. Wray*, 473 F. Supp. 1131 (1979).

**19.85 Exemptions.** (1) Any meeting of a governmental body, upon motion duly made and carried, may be convened in closed session under one or more of the exemptions provided in this section. The motion shall be carried by a majority vote in such manner that the vote of each member is ascertained and recorded in the minutes. No motion to convene in closed session may be adopted unless the chief presiding officer announces to those present at the meeting at which such motion is made, the nature of the business to be considered at such closed session, and the specific exemption or exemptions under this subsection by which such closed session is claimed to be authorized. Such announcement shall become part of the record of the meeting. No business may be taken up at any closed session except that which relates to matters contained in the chief presiding officer’s announcement of the closed session. A closed session may be held for any of the following purposes:

(a) Deliberating concerning a case which was the subject of any judicial or quasi-judicial trial or hearing before that governmental body.

(b) Considering dismissal, demotion, licensing or discipline of any public employee or person licensed by a board or commission or the investigation of charges against such person, or considering the grant or denial of tenure for a university faculty member, and the taking of formal action on any such matter; provided that the faculty member or other public employee or person licensed is



given actual notice of any evidentiary hearing which may be held prior to final action being taken and of any meeting at which final action may be taken. The notice shall contain a statement that the person has the right to demand that the evidentiary hearing or meeting be held in open session. This paragraph and par. (f) do not apply to any such evidentiary hearing or meeting where the employee or person licensed requests that an open session be held.

(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.

(d) Except as provided in s. 304.06 (1) (eg) and by rule promulgated under s. 304.06 (1) (em), considering specific applications of probation, extended supervision or parole, or considering strategy for crime detection or prevention.

(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.

(ee) Deliberating by the council on unemployment insurance in a meeting at which all employer members of the council or all employee members of the council are excluded.

(eg) Deliberating by the council on worker's compensation in a meeting at which all employer members of the council or all employee members of the council are excluded.

(em) Deliberating under s. 157.70 if the location of a burial site, as defined in s. 157.70 (1) (b), is a subject of the deliberation and if discussing the location in public would be likely to result in disturbance of the burial site.

(f) Considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations.

(g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.

(h) Consideration of requests for confidential written advice from the elections commission under s. 5.05 (6a) or the ethics commission under s. 19.46 (2), or from any county or municipal ethics board under s. 19.59 (5).

(2) No governmental body may commence a meeting, subsequently convene in closed session and thereafter reconvene again in open session within 12 hours after completion of the closed session, unless public notice of such subsequent open session was given at the same time and in the same manner as the public notice of the meeting convened prior to the closed session.

(3) Nothing in this subchapter shall be construed to authorize a governmental body to consider at a meeting in closed session the final ratification or approval of a collective bargaining agreement under subch. I, IV, or V of ch. 111 which has been negotiated by such body or on its behalf.

**History:** 1975 c. 426; 1977 c. 260; 1983 a. 84; 1985 a. 316; 1987 a. 38, 305; 1989 a. 64; 1991 a. 39; 1993 a. 97, 215; 1995 a. 27; 1997 a. 39, 237, 283; 1999 a. 32; 2007 a. 1, 20; 2009 a. 28; 2011 a. 10, 32; 2015 a. 118.

Although a meeting was properly closed, in order to refuse inspection of records of the meeting, the custodian was required by s. 19.35 (1) (a) to state specific and sufficient public policy reasons why the public interest in nondisclosure outweighed the public's right of inspection. *Oshkosh Northwestern Co. v. Oshkosh Library Board*, 125 Wis. 2d 480, 373 N.W.2d 459 (Ct. App. 1985).

The balance between protection of reputation under sub. (1) (f) and the public interest in openness is discussed. *Wis. State Journal v. UW–Platteville*, 160 Wis. 2d 31, 465 N.W.2d 266 (Ct. App. 1990). See also *Pangman v. Stigler*, 161 Wis. 2d 828, 468 N.W.2d 784 (Ct. App. 1991).

A "case" under sub. (1) (a) contemplates an adversarial proceeding. It does not connote the mere application for and granting of a permit. *Hodge v. Turtle Lake*, 180 Wis. 2d 62, 508 N.W.2d 603 (1993).

A closed session to discuss an employee's dismissal was properly held under sub. (1) (b) and did not require notice to the employee under sub. (1) (b) when no evidentiary hearing or final action took place in the closed session. *State ex rel. Epping v. City of Neillsville*, 218 Wis. 2d 516, 581 N.W.2d 548 (Ct. App. 1998), 97–0403.

The exception under sub. (1) (e) must be strictly construed. A private entity's desire for confidentiality does not permit a closed meeting. A governing body's belief that secret meetings will produce cost savings does not justify closing the door to public scrutiny. Providing contingencies allowing for future public input was insufficient. Because legitimate concerns were present for portions of some of the meetings does not mean the entirety of the meetings fell within the narrow exception under sub. (1) (e). *Citizens for Responsible Development v. City of Milton*, 2007 WI App 114, 300 Wis. 2d 649, 731 N.W.2d 640, 06–0427.

Section 19.35 (1) (a) does not mandate that, when a meeting is closed under this section, all records created for or presented at the meeting are exempt from disclosure. The court must still apply the balancing test articulated in *Linzmeier*, 2002 WI 84, 254 Wis. 2d 306. *Zellner v. Cedarburg School District*, 2007 WI 53, 300 Wis. 2d 290, 731 N.W.2d 240, 06–1143.

Nothing in sub. (1) (e) suggests that a reason for going into closed session must be shared by each municipality participating in an intergovernmental body. It is not inconsistent with the open meetings law for a body to move into closed session under sub. (1) (e) when the bargaining position to be protected is not shared by every member of the body. Once a vote passes to go into closed session, the reason for requesting the vote becomes the reason of the entire body. *Herro v. Village of McFarland*, 2007 WI App 172, 303 Wis. 2d 749, 737 N.W.2d 55, 06–1929.

In allowing governmental bodies to conduct closed sessions in limited circumstances, this section does not create a blanket privilege shielding closed session contents from discovery. There is no implicit or explicit confidentiality mandate. A closed meeting is not synonymous with a meeting that, by definition, entails a privilege exempting its contents from discovery. *Sands v. The Whitnall School District*, 2008 WI 89, 312 Wis. 2d 1, 754 N.W.2d 439, 05–1026.

Boards of review cannot rely on the exemptions in sub. (1) to close any meeting in view of the explicit requirements in s. 70.47 (2m). 65 Atty. Gen. 162.

A university subunit may discuss promotions not relating to tenure, merit increases, and property purchase recommendations in closed session. 66 Atty. Gen. 60.

Neither sub. (1) (c) nor (f) authorizes a school board to make actual appointments of a new member in closed session. 74 Atty. Gen. 70.

A county board chairperson and committee are not authorized by sub. (1) (c) to meet in closed session to discuss appointments to county board committees. In appropriate circumstances, sub. (1) (f) would authorize closed sessions. 76 Atty. Gen. 276.

Sub. (1) (c) does not permit closed sessions to consider employment, compensation, promotion, or performance evaluation policies to be applied to a position of employment in general. 80 Atty. Gen. 176.

A governmental body may convene in closed session to formulate collective bargaining strategy, but sub. (3) requires that deliberations leading to ratification of a tentative agreement with a bargaining unit, as well as the ratification vote, must be held in open session. 81 Atty. Gen. 139.

"Evidentiary hearing" as used in sub. (1) (b), means a formal examination of accusations by receiving testimony or other forms of evidence that may be relevant to the dismissal, demotion, licensing, or discipline of any public employee or person covered by that section. A council that considered a mayor's accusations against an employee in closed session without giving the employee prior notice violated the requirement of actual notice to the employee. *Campana v. City of Greenfield*, 38 F. Supp. 2d 1043 (1999).

Closed Session, Open Book: Sifting the *Sands* Case. *Bach. Wis. Law. Oct. 2009.*

### 19.851 Closed sessions by ethics or elections commission.

(1) Prior to convening under this section or under s. 19.85 (1), the ethics commission and the elections commission shall vote to convene in closed session in the manner provided in s. 19.85 (1). The ethics commission shall identify the specific reason or reasons under sub. (2) and s. 19.85 (1) (a) to (h) for convening in closed session. The elections commission shall identify the specific reason or reasons under s. 19.85 (1) (a) to (h) for convening in closed session. No business may be conducted by the ethics commission or the elections commission at any closed session under this section except that which relates to the purposes of the session as authorized in this section or as authorized in s. 19.85 (1).

(2) The commission shall hold each meeting of the commission for the purpose of deliberating concerning an investigation of any violation of the law under the jurisdiction of the commission in closed session under this section.

**History:** 2007 a. 1; 2015 a. 118.

### 19.86 Notice of collective bargaining negotiations.

Notwithstanding s. 19.82 (1), where notice has been given by either party to a collective bargaining agreement under subch. I, IV, or V of ch. 111 to reopen such agreement at its expiration date, the employer shall give notice of such contract reopening as provided in s. 19.84 (1) (b). If the employer is not a governmental

body, notice shall be given by the employer's chief officer or such person's designee.

**History:** 1975 c. 426; 1987 a. 305; 1993 a. 215; 1995 a. 27; 2007 a. 20; 2009 a. 28; 2011 a. 10.

**19.87 Legislative meetings.** This subchapter shall apply to all meetings of the senate and assembly and the committees, subcommittees and other subunits thereof, except that:

(1) Section 19.84 shall not apply to any meeting of the legislature or a subunit thereof called solely for the purpose of scheduling business before the legislative body; or adopting resolutions of which the sole purpose is scheduling business before the senate or the assembly.

(2) No provision of this subchapter which conflicts with a rule of the senate or assembly or joint rule of the legislature shall apply to a meeting conducted in compliance with such rule.

(3) No provision of this subchapter shall apply to any partisan caucus of the senate or any partisan caucus of the assembly, except as provided by legislative rule.

(4) Meetings of the senate or assembly committee on organization under s. 71.78 (4) (c) or 77.61 (5) (b) 3. shall be closed to the public.

**History:** 1975 c. 426; 1977 c. 418; 1987 a. 312 s. 17.

Former open meetings law, s. 66.74 (4) (g), 1973 stats., that excepted "partisan caucuses of the members" of the state legislature from coverage of the law applied to a closed meeting of the members of one political party on a legislative committee to discuss a bill. The contention that this exception was only intended to apply to the partisan caucuses of the whole houses would have been supportable if the exception were simply for "partisan caucuses of the state legislature" rather than partisan caucuses of members of the state legislature. State ex rel. Lynch v. Conta, 71 Wis. 2d 662, 239 N.W.2d 313 (1976).

In contrast to former s. 66.74 (4) (g), 1973 stats., sub. (3) applies to partisan caucuses of the houses, rather than to caucuses of members of the houses. State ex rel. Newspapers v. Showers, 135 Wis. 2d 77, 398 N.W.2d 154 (1987).

**19.88 Ballots, votes and records.** (1) Unless otherwise specifically provided by statute, no secret ballot may be utilized to determine any election or other decision of a governmental body except the election of the officers of such body in any meeting.

(2) Except as provided in sub. (1) in the case of officers, any member of a governmental body may require that a vote be taken at any meeting in such manner that the vote of each member is ascertained and recorded.

(3) The motions and roll call votes of each meeting of a governmental body shall be recorded, preserved and open to public inspection to the extent prescribed in subch. II of ch. 19.

**History:** 1975 c. 426; 1981 c. 335 s. 26.

The plaintiff newspaper argued that sub. (3), which requires "the motions and roll call votes of each meeting of a governmental body shall be recorded, preserved and open to public inspection," in turn, required the defendant commission to record and disclose the information the newspaper requested under the open records law. The newspaper could not seek relief under the public records law for the commission's alleged violation of the open meetings law and could not recover reasonable attorney fees, damages, and other actual costs under s. 19.37 (2) for an alleged violation of the open meetings law. The Journal Times v. City of Racine Board of Police and Fire Commissioners, 2015 WI 56, 362 Wis. 2d 577, 866 N.W.2d 563, 13–1715.

Under sub. (1), a common council may not vote to fill a vacancy on the common council by secret ballot. 65 Atty. Gen. 131.

**19.89 Exclusion of members.** No duly elected or appointed member of a governmental body may be excluded from any meeting of such body. Unless the rules of a governmental body provide to the contrary, no member of the body may be excluded from any meeting of a subunit of that governmental body.

**History:** 1975 c. 426.

**19.90 Use of equipment in open session.** Whenever a governmental body holds a meeting in open session, the body shall make a reasonable effort to accommodate any person desiring to record, film or photograph the meeting. This section does not permit recording, filming or photographing such a meeting in a manner that interferes with the conduct of the meeting or the rights of the participants.

**History:** 1977 c. 322.

**19.96 Penalty.** Any member of a governmental body who knowingly attends a meeting of such body held in violation of this

subchapter, or who, in his or her official capacity, otherwise violates this subchapter by some act or omission shall forfeit without reimbursement not less than \$25 nor more than \$300 for each such violation. No member of a governmental body is liable under this subchapter on account of his or her attendance at a meeting held in violation of this subchapter if he or she makes or votes in favor of a motion to prevent the violation from occurring, or if, before the violation occurs, his or her votes on all relevant motions were inconsistent with all those circumstances which cause the violation.

**History:** 1975 c. 426.

The state need not prove specific intent to violate the Open Meetings Law. State v. Swanson, 92 Wis. 2d 310, 284 N.W.2d 655 (1979).

**19.97 Enforcement.** (1) This subchapter shall be enforced in the name and on behalf of the state by the attorney general or, upon the verified complaint of any person, by the district attorney of any county wherein a violation may occur. In actions brought by the attorney general, the court shall award any forfeiture recovered together with reasonable costs to the state; and in actions brought by the district attorney, the court shall award any forfeiture recovered together with reasonable costs to the county.

(2) In addition and supplementary to the remedy provided in s. 19.96, the attorney general or the district attorney may commence an action, separately or in conjunction with an action brought under s. 19.96, to obtain such other legal or equitable relief, including but not limited to mandamus, injunction or declaratory judgment, as may be appropriate under the circumstances.

(3) Any action taken at a meeting of a governmental body held in violation of this subchapter is voidable, upon action brought by the attorney general or the district attorney of the county wherein the violation occurred. However, any judgment declaring such action void shall not be entered unless the court finds, under the facts of the particular case, that the public interest in the enforcement of this subchapter outweighs any public interest which there may be in sustaining the validity of the action taken.

(4) If the district attorney refuses or otherwise fails to commence an action to enforce this subchapter within 20 days after receiving a verified complaint, the person making such complaint may bring an action under subs. (1) to (3) on his or her relation in the name, and on behalf, of the state. In such actions, the court may award actual and necessary costs of prosecution, including reasonable attorney fees to the relator if he or she prevails, but any forfeiture recovered shall be paid to the state.

(5) Sections 893.80 and 893.82 do not apply to actions commenced under this section.

**History:** 1975 c. 426; 1981 c. 289; 1995 a. 158.

**Judicial Council Note, 1981:** Reference in sub. (2) to a "writ" of mandamus has been removed because that remedy is now available in an ordinary action. See s. 781.01, stats., and the note thereto. [Bill 613–A]

Awards of attorney fees are to be at a rate applicable to private attorneys. A court may review the reasonableness of the hours and hourly rate charged, including the rates for similar services in the area, and may in addition consider the peculiar facts of the case and the responsible party's ability to pay. Hodge v. Town of Turtle Lake, 190 Wis. 2d 181, 526 N.W.2d 784 (Ct. App. 1994).

Actions brought under the open meetings and open records laws are exempt from the notice provisions of s. 893.80. Auchinleck v. Town of LaGrange, 200 Wis. 2d 585, 547 N.W.2d 587 (1996), 94–2809.

Failure to bring an action under this section on behalf of the state is fatal and deprives the court of competency to proceed. Fabyan v. Achtenhagen, 2002 WI App 214, 257 Wis. 2d 310, 652 N.W.2d 649, 01–3298.

Complaints under the open meetings law are not brought in the individual capacity of the plaintiff but on behalf of the state, subject to the 2-year statute of limitations under s. 893.93 (2). Leung v. City of Lake Geneva, 2003 WI App 129, 265 Wis. 2d 674, 666 N.W.2d 104, 02–2747.

When a town board's action was voided by the court due to lack of statutory authority, an action for enforcement under sub. (4) by an individual as a private attorney general on behalf of the state against individual board members for a violation of the open meetings law that would subject the individual board members to civil forfeitures was not rendered moot. Lawton v. Town of Barton, 2005 WI App 16, 278 Wis. 2d 388, 692 N.W.2d 304, 04–0659

**19.98 Interpretation by attorney general.** Any person may request advice from the attorney general as to the applicability of this subchapter under any circumstances.

**History:** 1975 c. 426.

## CHAPTER 238

## WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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## SUBCHAPTER I

## GENERAL PROVISIONS

**238.01 Definitions.** In this chapter, except as otherwise provided:

- (1) “Board” means the board of directors of the corporation.
- (2) “Corporation” means the Wisconsin Economic Development Corporation.
- (3) “Economic development program” means a program or activity having the primary purpose of encouraging the establishment and growth of business in this state, including the creation and retention of jobs.

**History:** 2011 a. 7.

**238.02 Creation and organization of corporation.**

(1) There is created an authority, which is a public body corporate and politic, to be known as the “Wisconsin Economic Development Corporation.” The members of the board shall consist of 6 members nominated by the governor, and with the advice and consent of the senate appointed, to serve at the pleasure of the governor; 4 members appointed by the speaker of the assembly to serve 4-year terms; one member appointed by the minority leader of the assembly to serve a 4-year term; 4 members appointed by the senate majority leader to serve 4-year terms; and one member appointed by the minority leader of the senate to serve a 4-year term. Neither the speaker of the assembly nor the senate majority leader may appoint more than 2 members of the legislature to the board. The secretary of administration and the secretary of revenue shall also serve on the board as nonvoting members. The board shall elect a chairperson from among its nonlegislative voting members. A vacancy on the board shall be filled in the same

manner as the original appointment to the board for the remainder of the unexpired term, if any.

(2) A majority of the appointed members of the board currently serving constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the board upon a vote of a majority of the appointed members present.

(3) A chief executive officer shall be nominated by the governor, and with the advice and consent of the senate appointed, to serve at the pleasure of the governor. The board may delegate to the chief executive officer any powers and duties the board considers proper. The chief executive officer shall receive such compensation as may be determined by the board.

(4) All powers and duties assigned to the corporation under this chapter shall be exercised or carried out by the board, unless the board delegates the power or duty to an employee of the corporation or a committee established by the board.

**History:** 2011 a. 7, 32; 2015 a. 55; 2017 a. 369.

**238.03 Duties of board.** (1) The board shall develop and implement economic programs to provide business support and expertise and financial assistance to companies that are investing and creating jobs in Wisconsin and to support new business start-ups and business expansion and growth in Wisconsin. The board may also develop and implement any other programs related to economic development in Wisconsin.

(2) For each program developed and implemented by the board, the board shall do all of the following:

- (a) Establish clear and measurable goals for the program that are tied to statutory or programmatic policy objectives.
- (b) Establish at least one quantifiable benchmark for each program goal described in par. (a).



(c) Require that each recipient of a grant, loan award, or tax credit under the program submit a report to the corporation. Each contract with a recipient of a grant, loan award, or tax credit under the program must specify the frequency and format of the report to be submitted to the corporation and the performance measures to be included in the report. Each recipient shall submit a statement to the corporation signed by the recipient or the director or principal officer of the recipient attesting to the accuracy and truthfulness of the information.

(d) Establish a method for evaluating the projected results of the program with actual outcomes as determined by evaluating the information described in pars. (a) and (b).

(e) Annually and independently verify, from a sample of grants, loan awards, and tax credits, the accuracy of the information required to be reported under par. (c).

(3) The board shall require for each program developed and implemented by the board all of the following:

(a) That each recipient of a grant or loan under the program of at least \$100,000 submit to the corporation, within 120 days after the end of the recipient's fiscal year in which any grant or loan funds were expended, a schedule of expenditures of the grant or loan funds, including expenditures of any matching cash or in-kind match, signed by the director or principal officer of the recipient to attest to the accuracy of the schedule of expenditures. The recipient shall engage an independent certified public accountant to perform procedures, approved by the corporation and consistent with applicable professional standards of the American Institute of Certified Public Accountants, to determine whether the grant or loan funds and any matching cash or in-kind match were expended in accordance with the grant or loan contract. The board shall also require the recipient of such a grant or loan to make available for inspection the documents supporting the schedule of expenditures. The board shall include the requirements under this paragraph in the contract with grant or loan recipients.

(b) That the board, if a recipient of a grant or loan under the program submits false or misleading information to the corporation or fails to comply with the terms of a contract entered into with the corporation, without providing satisfactory explanation for the noncompliance, do all of the following:

1. Recoup payments made to the recipient.
2. Withhold future payments to be made to the recipient.
3. Impose a financial penalty on the recipient.

(4) (a) In this subsection, "unassigned balance" means all moneys held by the corporation that the corporation is not obligated by law or by contract to expend for a particular purpose or that the corporation has not otherwise assigned to be expended for a particular purpose.

(b) The board shall establish policies and procedures for maintaining and expending any unassigned balance that satisfy all of the following requirements:

1. The policies and procedures shall be consistent with best practices recommended by the Government Finance Officers Association.
2. The policies and procedures shall establish as a target that the corporation's unassigned balance on June 30 of each fiscal year be an amount equal to or less than one-sixth of the corporation's total administrative expenditures for that fiscal year.

(5) The board shall hire a full-time employee who shall be known as the electronics manufacturing small business development director. The director's duties shall include coordinating with the economic development liaison in the department of administration and providing outreach to local economic development organizations. This subsection has no effect after December 31, 2022.

History: 2011 a. 7; 2013 a. 20; 2015 a. 55; 2017 a. 58, 369.

**238.04 Powers of board.** The board shall have all the powers necessary or convenient to carry out the purposes and provisions of this chapter.

In addition to all other powers granted the board under this chapter, the board may specifically:

(1) Adopt, amend, and repeal any bylaws, policies, and procedures for the regulation of its affairs and the conduct of its business.

(2) Have a seal and alter the seal at pleasure.

(3) Maintain an office.

(4) Sue and be sued.

(5) Accept gifts, grants, loans, or other contributions from private or public sources.

(6) Establish the corporation's annual budget and monitor the fiscal management of the corporation.

(7) Execute contracts and other instruments required for the operation of the corporation.

(8) Employ any officers, agents, and employees that it may require and determine their qualifications, duties, and compensation.

(9) Issue notes, bonds, and any other obligations.

(10) Make loans and provide grants.

(11) Incur debt.

(12) Procure liability insurance.

(14) Enter into agreements regarding compensation, space, and other administrative matters as are necessary to operate offices in other states and foreign countries. Such agreements shall be subject to the approval of the secretary of administration.

(15) Appoint and supervise the economic development liaison project position created in 2017 Wisconsin Act 58, section 61 (1).

History: 2011 a. 7; 2011 a. 32 s. 3289; 2017 a. 369.

#### **238.045 Establishment of nonprofit organization.**

(1) **DEFINITION.** In this section, "nonprofit organization" means a nonprofit corporation, as defined in s. 181.0103 (17), and any organization described in section 501 (c) (3) of the Internal Revenue Code that is exempt from federal income tax under section 501 (a) of the Internal Revenue Code.

(2) **APPROVAL REQUIRED.** (a) The corporation may not establish a nonprofit organization without the approval of the joint committee on finance.

(b) The joint committee on finance may approve the corporation's establishment of a nonprofit organization if the corporation's chief executive officer submits a request for approval to the committee that describes in detail the corporation's proposal to establish a nonprofit organization and the chief executive officer appears at the committee's meeting to consider that request for approval.

History: 2013 a. 20.

**238.046 Private interest in public contract.** (1) A member of the board or an employee of the corporation to whom the board delegates its authority to contract shall notify the corporation's legal counsel or, if the corporation's legal counsel is unavailable, the chief executive officer of the corporation if the member or employee has a direct or indirect, private, pecuniary interest in a contract that is being negotiated, bid for, or entered into with the corporation. If the corporation's legal counsel or chief executive officer is notified under this section, he or she shall report the name of the individual from whom he or she received the notification and the contract in which the individual has a private, pecuniary interest to the board. A member or employee who notifies the corporation's legal counsel or chief executive officer under this section is not authorized to participate in the member's or employee's capacity as a member of the board or an employee of the corporation in the making of the contract or to perform in regard to the contract some official function requiring the exercise of discretion on the member's or employee's part.

(2) An employee of the corporation shall notify the corporation's legal counsel or, if the corporation's legal counsel is unavailable, the chief executive officer of the corporation if the

**3 Updated 15–16 Wis. Stats.****ECONOMIC DEVELOPMENT CORPORATION 238.115**

employee has a controlling interest in an entity that is negotiating, bidding for, or entering into a contract with the corporation. If the corporation's legal counsel or chief executive officer is notified under this section, he or she shall report the name of the individual from whom he or she received the notification and the contract at issue to the board. The board shall prohibit the corporation from entering into any contract with an entity in which an employee of the corporation has a controlling interest.

**History:** 2013 a. 43 s. 1; 2013 a. 173 s. 32.

**238.06 Liability limited.** Neither the state nor any political subdivision of the state, nor any officer, employee, or agent of the state or a political subdivision of the state who is acting within the scope of employment or agency, is liable for any debt, obligation, act, or omission of the corporation.

**History:** 2011 a. 7.

**238.07 Submission of annual reports to legislature.**

(1) Annually, by January 1, the board shall submit to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report identifying the economic development projects that the board intends to develop and implement during the current calendar year.

(2) Annually, no later than October 1, the board shall submit to the joint legislative audit committee and the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report for the previous fiscal year on each of the economic development programs of the corporation that contains all of the following:

- (a) A description of each program.
- (ag) An accounting of the location, by municipality, of each job created or retained in the state in the previous fiscal year as a result of the program.
- (ar) An accounting of the industry classification, by municipality, of each job created or retained in the state as a result of the program.
- (b) A comparison of expected and actual program outcomes.
- (c) The number of grants made under the program.
- (d) The number of loans made under the program.
- (dm) The total amount of tax benefits allocated, and the total amount of tax benefits verified to the department of revenue, under the program.
- (e) The amount of each grant and loan made under the program.
- (f) The recipient of each grant or loan made under the program.
- (fm) An identification of each recipient of a tax benefit allocated, and each recipient of a tax benefit that was verified to the department of revenue, under the program.
- (g) The sum total of all grants and loans awarded to and received by each recipient under the program.
- (h) Any recommended changes to the program.

(3) The board shall make readily accessible to the public on an Internet-based system the information required under sub. (2).

(4) Annually, beginning in 2014, the board shall have an independent audit conducted of the corporation's financial statements for the previous fiscal year and submit the audit report to the joint legislative audit committee and the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2).

**History:** 2011 a. 7; 2013 a. 20.

**238.08 Records of the corporation.** All records of the corporation are open to the public as provided in s. 19.35 (1) except those records relating to pending grants, loans, or economic development projects that, in the opinion of the corporation, must remain confidential to protect the competitive nature of the grant, loan, or project.

**History:** 2011 a. 32.

**238.09 Procurement policies and procedures.** The board shall adopt policies and procedures that specify all of the following:

(1) When the corporation is required to publicly solicit proposals from multiple vendors of goods or services.

(2) How the corporation is to evaluate proposals from multiple vendors.

(3) How the corporation is to assess any conflict of interest a vendor may have if the vendor sells goods or services to the corporation.

**History:** 2013 a. 20.

**238.10 Allocation of volume cap on tax-exempt bonds.**

(1) **ALLOCATION.** The corporation shall establish under 26 USC 146 and administer a system for the allocation of the volume cap on the issuance of private activity bonds, as defined under 26 USC 141 (a), among all municipalities, as defined in s. 67.01 (5), and any corporation formed on behalf of those municipalities, and among this state, the Wisconsin Health and Educational Facilities Authority, the Wisconsin Aerospace Authority, and the Wisconsin Housing and Economic Development Authority.

(2) **AMENDMENT TO ALLOCATION.** At any time prior to December 31 in any year, the corporation may adopt rules to revise the allocation system established for that year under sub. (1), except that any revision under this subsection does not apply to any allocation under which the recipient of that allocation has adopted a resolution authorizing the issuance of a private activity bond, as defined in 26 USC 141 (a).

(3) **CONDITIONS.** The corporation may establish any procedure for, and place any condition upon, the granting of an allocation under this section which the corporation deems to be in the best interest of the state including a requirement that a cash deposit, at a rate established by the corporation, be a condition for an allocation.

(4) **CERTIFICATION.** If the corporation receives notice of the issuance of a bond under an allocation under subs. (1) to (3), the corporation shall certify that that bond meets the requirements of 26 USC 146.

**History:** 1987 a. 69, 403; 1989 a. 8; 1997 a. 27; 2005 a. 335; 2011 a. 32 s. 3315; Stats. 2011 s. 238.10.

**238.11 Employment impact estimates.**

(1) The corporation shall prescribe the notice forms to be used under s. 66.1103 (4m) (a) 1. The corporation shall include on the forms a requirement for information on the number of jobs the person submitting the notice expects to be eliminated, created, or maintained on the project site and elsewhere in this state by the project which is the subject of the notice. The corporation shall prescribe the forms to be used under s. 66.1103 (4m) (b).

(2) If the corporation receives a notice under s. 66.1103 (4m) (a), the corporation shall estimate, no later than 20 days after receipt of the notice, whether the project that is the subject of the notice is expected to eliminate, create, or maintain jobs on the project site and elsewhere in this state and the net number of jobs expected to be eliminated, created, or maintained as a result of the project.

(5) The corporation shall issue an estimate made under sub. (2) to the city, village, town, or county which will issue the bonds to finance the project which is the subject of the estimate.

**History:** 1985 a. 299; 1999 a. 85; 1999 a. 150 s. 672; 2001 a. 104; 2009 a. 112; 2011 a. 32 s. 3318; Stats. 2011 s. 238.11; 2011 a. 214.

**238.115 Tax credit reporting.** (1) **CORPORATION OBLIGATIONS.** No later than the end of the first month following each quarter, the corporation shall provide to the department of revenue all of the following information for the previous quarter:

(a) The identity of each person the corporation certified for tax credits under this chapter and, for each person, the amount certified.

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(b) The identity of each person the corporation verified to claim tax credits under this chapter based on the person's satisfaction of all applicable requirements to be eligible to claim the tax credits and, for each person, the amount verified.

(c) The identity of each person, whether an entity or individual, who may claim tax credits as the result of each verification of each person identified under par. (b). The information provided under this paragraph shall specify the taxable year that applies for each of those persons.

(d) The identity of each person, whether an entity or individual, who may claim tax credits as the result of a transfer of tax credits under this chapter and, for each person, the amount transferred. The information provided under this paragraph shall specify the taxable year that applies for each of those persons.

(e) The identity of each person for whom the corporation revoked a certification for tax credits and, for each person, the amount revoked.

(f) The amount of tax credits already claimed that must be repaid as the result of a revocation for each person identified under par. (e).

(g) Any other information the department of revenue and the corporation agree is necessary to accurately track certification, verification, transfer, and usage of tax credits under this chapter.

**(2) TAXPAYER OBLIGATIONS.** Each person the corporation certifies for tax credits under this chapter shall provide all information necessary for the corporation to comply with the reporting requirements under sub. (1).

**(3) DEPARTMENT OF REVENUE'S OBLIGATION.** The department of revenue shall track the amount of all tax credits administered by the corporation that have been claimed or used to offset tax liability and the amount of all available unused tax credits under this chapter.

**History:** 2015 a. 55.

**238.12 Repayment of grants, loans, and tax benefits.**

**(1)** In this section, "tax benefits" means the credits under ss. 71.07 (2dm), (2dx), (3g), (3t), and (3wm), 71.28 (1dm), (1dx), (3g), (3t), and (3wm), 71.47 (1dm), (1dx), (3g), and (3t), and 76.636.

**(2)** The corporation may not award a grant or loan under this chapter to a person or certify a person to receive tax benefits unless the corporation enters into an agreement with the person that requires the person to repay the grant, loan, or tax benefits if, within 5 years after receiving the grant or loan or being certified to receive tax benefits, the person ceases to conduct in this state the economic activity for which the person received the grant or loan or for which the person was certified to receive tax benefits and commences substantially the same economic activity outside this state.

**History:** 2005 a. 25, 259; 2011 a. 32 s. 3327; Stats. 2011 s. 238.12; 2015 a. 55; 2017 a. 58.

**238.124 Loan limitations. (1)** The corporation may not originate any loan that is forgivable in whole or in part upon the loan recipient's achievement of one or more conditions or goals.

**(2)** Each new lending program the corporation implements or administers shall adhere as closely as practicable to commonly accepted commercial lending practices. The corporation shall adopt policies and procedures implementing this subsection.

**History:** 2017 a. 59.

**238.125 Notification of position openings; compliance.** The corporation shall monitor compliance with the position-opening notification requirements under ss. 66.1103 (6m) and 106.16.

**History:** 1987 a. 27; 1995 a. 27; 1999 a. 150 s. 672; 2011 a. 32 s. 3333; Stats. 2011 s. 238.125.

**238.127 State main street program. (1)** In this section:

(a) "Business area" means a commercial area existing at the time services under the state main street program are requested and having historic significance.

(b) "Municipality" means a city, village or town.

(c) "Revitalization" means the process of engaging in activities to increase economic activity, while preserving and building upon a location's historically significant characteristics.

**(2)** The corporation shall establish and administer a state main street program to coordinate state and local participation in programs offered by the national main street center, created by the national trust for historic preservation, to assist municipalities in planning, managing and implementing programs for the revitalization of business areas. The corporation shall do all of the following:

(a) Enter into contracts to obtain business area revitalization services provided by the national main street center.

(c) With help from interested individuals and organizations, develop a plan describing the objectives of the state main street program and the methods by which the corporation shall:

1. Coordinate the activities of that program with private and public sector revitalization of business areas.

2. Solicit and use private sector funding for revitalization of business areas.

3. Help municipalities engage in revitalization of business areas.

(d) Coordinate with other state and local public and private entities which provide services to municipalities undertaking projects for the revitalization of business areas.

(e) Annually select, upon application, up to 5 municipalities to participate in the state main street program. The program for each municipality shall conclude after 3 years, except that the program for each municipality selected after July 29, 1995, shall conclude after 5 years. The corporation shall select program participants representing various geographical regions and populations. A municipality may apply to participate, and the corporation may select a municipality for participation, more than one time. In selecting a municipality, however, the corporation may give priority to those municipalities that have not previously participated.

(f) For use in selecting the participants in the state main street program under par. (e), develop objective criteria relating to at least the following issues:

1. Private and public sector interest in and commitment to revitalization of a business area selected by the municipality.

2. Potential private sector investment in a business area selected by the municipality.

3. Local organizational and financial commitment to employ a program manager for not less than 3 years, or not less than 5 years for participants selected after July 29, 1995.

4. Local assistance in paying for the services of a design consultant.

5. Local commitment to assist in training persons to direct activities related to business areas in municipalities that do not participate in the state main street program.

(h) Provide training, technical assistance and information on the revitalization of business areas to municipalities which do not participate in the state main street program. The corporation may charge reasonable fees for the services and information provided under this paragraph.

(j) The corporation shall expend at least \$250,000 annually on the state main street program.

**History:** 1987 a. 109; 1993 a. 16; 1995 a. 27; 1999 a. 9; 2011 a. 32 ss. 2860m, 3330c to 3330s; Stats. 2011 s. 238.127; 2013 a. 166 s. 76.

**238.13 Brownfields grant program. (1)** In this section:

(a) "Brownfields" means abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.



(b) “Brownfields redevelopment” means any work or undertaking by a person to acquire a brownfields facility or site and to raze, demolish, remove, reconstruct, renovate, or rehabilitate the facility or existing buildings, structures, or other improvements at the site for the purpose of promoting the use of the facility or site for commercial, industrial, or other purposes. “Brownfields redevelopment” does not include construction of new facilities on the site for any purpose other than environmental remediation activities.

(d) “Environmental remediation activities” means investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; abating, removing or containing environmental pollution at a brownfields facility or site; or restoring soil or groundwater at a brownfields facility or site.

(g) “Person” means an individual, partnership, limited liability company, corporation, nonprofit organization, city, village, town, county, or trustee, including a trustee in bankruptcy.

(2) (a) The corporation may make a grant to a person if all of the following apply:

1. The recipient uses the grant proceeds for brownfields redevelopment or associated environmental remediation activities.

1m. The recipient does not use the grant proceeds to pay lien claims of the department of natural resources or the federal environmental protection agency based on investigation or remediation activities of the department of natural resources or the federal environmental protection agency or to pay delinquent real estate taxes or interest or penalties that relate to those taxes.

2. All of the following are unknown, cannot be located, or are financially unable to pay the cost of environmental remediation activities:

a. The party that caused the portion of the environmental contamination that is the basis for the grant request.

b. Any person who possessed or controlled the environmental contaminant that is the basis for the grant request before the contaminant was released.

3. The recipient contributes to the cost of the project as provided in par. (b).

(b) 1. The contribution required under par. (a) 3. may be in cash or in-kind. Cash contributions may be of private or public funds. In-kind contributions shall be limited to actual remediation services.

3. The recipient of a grant under this section shall contribute to the project an amount that is equal to at least 50 percent of the amount of the grant.

(3) The corporation may consider the following criteria in making awards under this section:

(a) The potential of the project to promote economic development in the area.

(c) The level of financial commitment by the applicant to the project.

(d) The extent and degree of soil and groundwater contamination at the project site.

(e) The adequacy and completeness of the site investigation and remediation plan.

(f) Any other factors considered by the corporation to be relevant to assessing the viability and feasibility of the project.

(5) Before the corporation awards a grant under this section, the corporation shall consider the recommendations of the department of natural resources.

(6m) Receipt of a grant under this section shall not render the recipient ineligible for a loan or any other grant awarded by the state, unless under the eligibility criteria of the loan or other grant the recipient is excluded by virtue of having received the grant.

**History:** 1997 a. 27; 1999 a. 9; 2001 a. 16; 2007 a. 20, 125; 2009 a. 28; 2011 a. 32 ss. 3341 to 3343; Stats. 2011 s. 238.13; 2013 a. 166 s. 76; 2015 a. 55.

### 238.133 Brownfield site assessment grants. (1) DEFINITIONS. In this section:

(a) “Eligible site or facility” means one or more contiguous industrial or commercial facilities or sites with common or multiple ownership that are abandoned, idle, or underused, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

(b) “Local governmental unit” means a city, village, town, county, redevelopment authority created under s. 66.1333, community development authority created under s. 66.1335, or housing authority.

(c) “Petroleum product” has the meaning given in s. 292.63 (1) (f).

(d) “Underground hazardous substance storage tank system” means an underground storage tank used for storing a hazardous substance other than a petroleum product together with any on-site integral piping or dispensing system with at least 10 percent of its total volume below the surface of the ground.

(e) “Underground petroleum product storage tank” has the meaning given in s. 292.63 (1) (i).

(2) DUTIES OF THE CORPORATION. (a) The corporation shall administer a program to award brownfield site assessment grants from the appropriation under s. 20.192 (1) (s) to local governmental units for the purposes of conducting any of the eligible activities under sub. (3).

(b) The corporation may not award a grant to a local governmental unit under this section if that local governmental unit caused the environmental contamination that is the basis for the grant request.

(c) The corporation may only award grants under this section if the person that caused the environmental contamination that is the basis for the grant request is unknown, cannot be located or is financially unable to pay the cost of the eligible activities.

(d) The corporation shall establish criteria as necessary to administer the program. The corporation may limit the total amount of funds that may be used to cover the costs of each category of eligible activity described in sub. (3).

(3) ELIGIBLE ACTIVITIES. The corporation may award grants to local governmental units to cover the costs of the following activities:

(a) The investigation of environmental contamination on an eligible site or facility for the purposes of reducing or eliminating environmental contamination.

(b) The demolition of any structures, buildings or other improvements located on an eligible site or facility.

(c) The removal of abandoned containers, as defined in s. 292.41 (1), from an eligible site or facility.

(d) Asbestos abatement activities, as defined in s. 254.11 (2), conducted as part of activities described in par. (b) on an eligible site or facility.

(e) The removal of underground hazardous substance storage tank systems.

(f) The removal of underground petroleum product storage tank systems.

(4) APPLICATION FOR GRANT. The applicant shall submit an application on a form prescribed by the corporation and shall include any information that the corporation finds necessary to calculate the amount of a grant.

(5) GRANT CRITERIA. The corporation shall consider the following criteria when determining whether to award a grant:

(a) The local governmental unit’s demonstrated commitment to performing and completing necessary environmental remediation activities on the eligible site, including the local governmental unit’s financial commitment.

(b) The degree to which the project will have a positive impact on public health and the environment.



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(c) Other criteria that the corporation finds necessary to calculate the amount of a grant.

(6) **LIMITATION OF GRANT.** The total amount of all grants awarded to a local governmental unit in a fiscal year under this section shall be limited to an amount equal to 15 percent of the available funds appropriated under s. 20.192 (1) (s) for the fiscal year.

(7) **MATCHING FUNDS.** The corporation may not distribute a grant unless the applicant contributes matching funds equal to 20 percent of the grant. Matching funds may be in the form of cash or in-kind contribution or both.

**History:** 1999 a. 9; 2001 a. 16, 30; 2011 a. 32 s. 2990r; Stats. 2011 s. 238.133; 2013 a. 20.

**238.135 Grants to regional economic development organizations.** The corporation shall award annual grants to regional economic development organizations to fund marketing activities. The amount of each grant may not exceed \$100,000 or the amount of matching funds the organization obtains from sources other than the corporation or the state, whichever is less.

**History:** 2011 a. 32.

**238.14 St. Croix Valley Business Incubator.** From the appropriation under s. 20.192 (1) (a), the corporation shall make a grant of \$250,000 to the River Falls Economic Development Corporation to construct the St. Croix Valley Business Incubator. The corporation may award the grant under this section only if federal moneys are secured for the same purpose.

**History:** 2015 a. 55.

**238.15 Early stage business investment program.**

(1) **ANGEL INVESTMENT TAX CREDITS.** The corporation shall implement a program to certify businesses for purposes of s. 71.07 (5d). A business desiring certification shall submit an application to the corporation in each taxable year for which the business desires certification. The business shall specify in its application the investment amount it wishes to raise and the corporation may certify the business and determine the amount that qualifies for purposes of s. 71.07 (5d). The corporation may certify or recertify a business for purposes of s. 71.07 (5d) only if the business satisfies all of the following conditions:

- (a) It has its headquarters in this state.
- (b) At least 51 percent of the employees employed by the business are employed in this state.
- (f) It has the potential for increasing jobs in this state, increasing capital investment in this state, or both, and any of the following apply:

1. It is engaged in, or has committed to engage in, innovation in any of the following:

a. Manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology.

b. Processing or assembling products, including medical devices, pharmaceuticals, computer software, computer hardware, semiconductors, any other innovative technology products, or other products that are produced using manufacturing methods that are enabled by applying differentiating technology.

c. Services that are enabled by applying differentiating technology.

2. It is undertaking pre-commercialization activity related to differentiating technology that includes conducting research, developing a new product or business process, or developing a service that is principally reliant on applying differentiating technology.

(g) It is not primarily engaged in real estate development, insurance, banking, lending, lobbying, political consulting, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, wholesale or retail trade, leisure, hospitality, transportation, or construction,

except construction of power production plants that derive energy from a renewable resource, as defined in s. 196.378 (1) (h).

(h) At the time it is initially certified under this subsection, it has less than 100 employees.

(j) At the time it is initially certified under this subsection, it has been in operation in this state for not more than 10 consecutive years.

(k) For taxable years beginning before January 1, 2008, it has not received more than \$1,000,000 in investments that have qualified for tax credits under s. 71.07 (5d).

(km) It has not received aggregate private equity investment in cash of more than \$10,000,000 before it is initially certified under this subsection.

(kn) For taxable years beginning after December 31, 2007 and before January 1, 2011, it has not received more than \$4,000,000 in investments that have qualified for tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

(L) For taxable years beginning after December 31, 2010 and before January 1, 2018, it has not received more than \$8,000,000 in investments that have qualified for tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

(Lg) For taxable years beginning after December 31, 2017, it has not received more than \$12,000,000 in investments that have qualified for tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

(m) 1. It agrees that it will not relocate outside of this state during the 3 years after it receives an investment for which a person may claim a tax credit under s. 71.07 (5d) and agrees to pay the corporation a penalty, in an amount determined under subd. 2., if the business relocates outside of this state during that 3-year period. For the purposes of this paragraph, except as provided in policies and procedures under sub. (3) (dm), a business relocates outside of this state when the business locates more than 51 percent of any of the following outside of this state:

- a. The business's employees.
  - b. The business's total payroll.
  - c. The activities of the business's headquarters, as determined by the corporation.
2. The amount of a penalty payment under subd. 1. is any of the following:

a. If the relocation occurs less than 12 months after the investment, 100 percent of the tax credit that was claimed under s. 71.07 (5d) as the result of the investment.

b. If the relocation occurs 12 months or more after the investment but less than 24 months after the investment, 80 percent of the tax credit that was claimed under s. 71.07 (5d) as the result of the investment.

c. If the relocation occurs 24 months or more after the investment but less than 36 months after the investment, 60 percent of the tax credit that was claimed under s. 71.07 (5d) as the result of the investment.

3. Subdivision 1. does not apply to a business that the corporation certified for purposes of s. 71.07 (5d) before April 20, 2012, and that, in reliance on that certification, executed a note or bond that is convertible to an equity interest.

(2) **EARLY STAGE SEED INVESTMENT TAX CREDITS.** The corporation shall implement a program to certify investment fund managers for purposes of ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638. An investment fund manager desiring certification shall submit an application to the corporation. The investment fund manager shall specify in the application the investment amount that the manager wishes to raise and the corporation may certify the manager and determine the amount that qualifies for purposes of ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638. In determining whether to certify an investment fund manager, the corporation shall consider the investment fund manager's experience in managing venture capital funds, the past performance of investment funds managed by the applicant, the expected level of invest-

ment in the investment fund to be managed by the applicant, and any other relevant factors. The corporation may certify only investment fund managers that commit to consider placing investments in businesses certified under sub. (1).

(3) **ADMINISTRATION.** (a) *List of certified businesses and investment fund managers.* The corporation shall maintain a list of businesses certified under sub. (1) and investment fund managers certified under sub. (2) and shall permit public access to the lists through the corporation's Internet website.

(d) *Administration.* The corporation, in consultation with the department of revenue, shall establish policies and procedures to administer this section and shall further define "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1. The aggregate amount of tax credits under s. 71.07 (5d) that may be claimed for investments in businesses certified under sub. (1) and of tax credits under ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to fund managers certified under sub. (2) is \$30,000,000 per calendar year. The policies and procedures shall provide that a person who receives a credit under s. 71.07 (5b) or (5d), 71.28 (5b), 71.47 (5b), or 76.638 must keep the investment in a certified business, or with a certified fund manager, for no less than 3 years, unless the person's investment becomes worthless, as determined by the corporation, during the 3-year period or the person has kept the investment for no less than 12 months and a bona fide liquidity event, as determined by the corporation, occurs during the 3-year period.

(dm) The corporation's policies and procedures under this subsection shall provide that a business is considered to have not relocated outside of this state under sub. (1) (m) 1., regardless of whether the business satisfies sub. (1) (m) 1. a. and b., if the corporation determines that the business's investment and employment levels in this state have not diminished.

(e) *Transfer.* A person who is eligible to claim a credit under s. 71.07 (5b), 71.28 (5b), 71.47 (5b), or 76.638 may sell or otherwise transfer the credit to another person who is subject to the taxes or fees imposed under s. 71.02, 71.23, 71.47, or subch. III of ch. 76, if the person receives prior authorization from the investment fund manager and the manager then notifies the corporation and the department of revenue of the transfer and submits with the notification a copy of the transfer documents. No person may sell or otherwise transfer a credit as provided in this paragraph more than once in a 12-month period. The corporation may charge any person selling or otherwise transferring a credit under this paragraph a fee of up to 5 percent of the credit amount sold or transferred.

(f) *Limit on future allocations.* 1. Beginning with December 31, 2014, tax credits that the corporation has not allocated under this section on or before December 31 of each year may not be allocated after that date.

2. Subdivision 1. does not apply to an allocation of tax credits occurring after December 31, 2014, and before July 14, 2015.

**History:** 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276; 2011 a. 32 s. 3356; Stats. 2011 s. 238.15; 2011 a. 213; 2015 a. 55; 2017 a. 59, 234; 2017 a. 365 s. 112; s. 35.17 correction in (1) (m) 2. c.

**238.155 Talent attraction and retention initiatives.** The corporation shall collaborate with state agencies to develop and implement initiatives for the attraction of talent to and retention of talent in this state, including by leveraging the existing programs of state agencies for those purposes within the scopes of those existing programs.

**History:** 2017 a. 318.

**238.16 Jobs tax credit.** (1) **DEFINITIONS.** In this section:

(a) 1. Except as provided in subd. 2., "business" means any organization or enterprise operated for profit, including a sole proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation, limited liability company, or association.

2. "Business" does not include a store or shop in which retail sales is the principal business.

(b) "Eligible employee" means a person employed in a full-time job by a person certified under sub. (2).

(c) 1. Except as provided in subd. 2., "full-time job" means a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay that is equal to at least 150 percent of the federal minimum wage and benefits that are not required by federal or state law. "Full-time job" does not include initial training before an employment position begins.

2. The corporation may grant exceptions to the requirement under subd. 1. that a full-time job means a position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year if all of the following apply:

a. The annual pay for the position is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage.

b. An individual in the position is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.

(d) "Tax benefits" means the jobs tax credit under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q).

(2) The corporation may certify a person to receive tax benefits under this section if all of the following apply:

(a) The person is operating or intends to operate a business in this state.

(b) The person applies under this section and enters into a contract with the corporation.

(3) **ELIGIBILITY FOR TAX BENEFITS.** A person certified under sub. (2) may receive tax benefits under this section if, in each year for which the person claims tax benefits under this section, the person increases net employment in this state in the person's business above the net employment in this state in the person's business during the year before the person was certified under sub. (2), as determined by the corporation under its policies and procedures, and one of the following applies:

(a) In a tier I county or municipality, an eligible employee for whom the person claims a tax credit will earn at least the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage in wages from the person in the year for which the credit is claimed.

(b) In a tier II county or municipality, an eligible employee for whom the person claims a tax credit will earn at least \$30,000 in wages from the person in the year for which the credit is claimed.

(c) In a tier I county or municipality or a tier II county or municipality, the person improves the job-related skills of any eligible employee, trains any eligible employee on the use of job-related new technologies, or provides job-related training to any eligible employee whose employment with the person represents the employee's first full-time job.

(4) **DURATION, LIMITS, AND EXPIRATION.** (a) The certification of a person under sub. (2) may remain in effect for no more than 10 cumulative years.

(b) 1. The corporation may award to a person certified under sub. (2) tax benefits for each eligible employee in an amount equal to up to 10 percent of the wages paid by the person to that employee or \$10,000, whichever is less, if that employee earned wages in the year for which the tax benefit is claimed equal to one of the following:

a. In a tier I county or municipality, at least the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage.

b. In a tier II county or municipality, at least \$30,000.

2. The corporation may award to a person certified under sub. (2) tax benefits in an amount to be determined by the corporation for costs incurred by the person to undertake the training activities described in sub. (3) (c).

(c) The corporation may allocate up to \$10,000,000 in tax benefits under this section in any calendar year.

**(5) DUTIES OF THE CORPORATION.** (c) The corporation may require a person to repay any tax benefits the person claims for a year in which the person failed to maintain employment required by an agreement under sub. (2) (b).

(e) The corporation shall verify, under s. 238.03 (2) (e), the information submitted to the corporation by the person for the purpose of claiming tax benefits under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q).

(f) The corporation shall adopt policies and procedures for the implementation and operation of this section, including policies and procedures relating to the following:

1. The definitions of a tier I county or municipality and a tier II county or municipality. The corporation may consider all of the following information when establishing the definitions required under this subdivision:

- Unemployment rate.
- Percentage of families with incomes below the poverty line established under 42 USC 9902 (2).
- Median family income.
- Median per capita income.
- Other significant or irregular indicators of economic distress, such as a natural disaster or mass layoff.

2. A schedule of additional tax benefits for which a person who is certified under sub. (2) and who incurs costs related to job training under sub. (3) (c) may be eligible.

3. Conditions for the revocation of a certification.

4. Conditions for the repayment of tax benefits under par. (c).

5. Determining a change in net employment in a person's business.

**(6) SUNSET.** No tax benefits may be awarded under this section after December 31, 2015, unless the tax benefits were allocated to a taxpayer by the corporation in a contract that the corporation executed before that date or in a letter of intent to enter into such a contract that the corporation issued before that date.

**History:** 2009 a. 28, 265; 2011 a. 32 ss. 2864, 3357 to 3366; Stats. 2011 s. 238.16; 2011 a. 88; 2013 a. 20, 145; 2015 a. 55; 2017 a. 59, 369.

**238.17 Historic rehabilitation tax credit.** (1) For taxable years beginning after December 31, 2013, the corporation may certify a person to claim a tax credit under s. 71.07 (9m), 71.28 (6), or 71.47 (6), if the corporation determines that the person is conducting an eligible activity under s. 71.07 (9m), 71.28 (6), or 71.47 (6). No person may claim a tax credit under s. 71.07 (9m), 71.28 (6), or 71.47 (6) without first being certified under this subsection.

(2) Beginning July 1, 2018, the corporation may not certify persons to claim more than a total of \$3,500,000 in tax credits for all projects undertaken on the same parcel.

(3) (a) Except as provided in par. (b), the corporation may not certify a person for a tax credit under sub. (1) if the person is not subject to the taxes imposed under s. 71.02, 71.08, 71.23, or 71.43, except that the corporation may certify a nonprofit entity described under section 501 (c) (3) of the Internal Revenue Code for a tax credit under sub. (1) if the entity intends to sell or otherwise transfer the credit, as provided under s. 71.07 (9m), 71.28 (6) (h), or 71.47 (6) (h).

(b) The corporation may certify a nonprofit entity not described under section 501 (c) (3) of the Internal Revenue Code for a tax credit under sub. (1) by submitting the proposal for the certification to the joint committee on finance for approval. If the cochairpersons of the joint committee on finance do not notify the corporation within 14 working days after the date of the corporation's submittal that the committee has scheduled a meeting for the purpose of reviewing the proposal, the proposal may be implemented as proposed by the corporation. If, within 14 working days after the corporation's submittal, the cochairpersons of the joint committee on finance notify the corporation that the committee has scheduled a meeting for the purpose of reviewing the pro-

posal, the proposal may be implemented only upon approval of the committee.

**History:** 2013 a. 62; 2015 a. 55; 2017 a. 59, 280.

**238.23 Technology zones.** (1) In this section, "tax credit" means a credit under s. 71.07 (2dm), (2dx), or (3g), 71.28 (1dm), (1dx), or (3g), or 71.47 (1dm), (1dx), or (3g).

(2) (a) Except as provided in par. (c), the corporation may designate up to 8 areas in the state as technology zones. A business that is located in a technology zone and that is certified by the corporation under sub. (3) is eligible for a tax credit as provided in sub. (3).

(b) The designation of an area as a technology zone shall be in effect for 10 years from the time that the corporation first designates the area. Not more than \$5,000,000 in tax credits may be claimed in a technology zone, except that the corporation may allocate the amount of unallocated airport development zone tax credits, as provided under s. 238.3995 (3) (b), to technology zones for which the \$5,000,000 maximum allocation is insufficient. The corporation may change the boundaries of a technology zone during the time that its designation is in effect. A change in the boundaries of a technology zone does not affect the duration of the designation of the area or the maximum tax credit amount that may be claimed in the technology zone.

(c) No area may be designated as a technology zone under this subsection on or after March 6, 2009.

(3) (a) Except as provided in par. (e), the corporation may certify for tax credits in a technology zone a business that satisfies all of the following requirements:

- The business is located in the technology zone.
- The business is a new or expanding business.
- The business is a high-technology business.

(b) In determining whether to certify a business under this subsection, the corporation shall consider all of the following:

- How many new jobs the business is likely to create.
- The extent and nature of the high technology used by the business.
- The likelihood that the business will attract related enterprises.
- The amount of capital investment that the business is likely to make in the state.
- The economic viability of the business.

(c) When the corporation certifies a business under this subsection, the corporation shall establish a limit on the amount of tax credits that the business may claim. Unless its certification is revoked, and subject to the limit on the tax credit amount established by the corporation under this paragraph, a business that is certified may claim a tax credit for 3 years, except that a business that experiences growth, as determined for that business by the corporation under par. (d) and sub. (5) (e), may claim a tax credit for up to 5 years.

(d) The corporation shall enter into an agreement with a business that is certified under this subsection. The agreement shall specify the limit on the amount of tax credits that the business may claim, the extent and type of growth, which shall be specific to the business, that the business must experience to extend its eligibility for a tax credit, the business' baseline against which that growth will be measured, any other conditions that the business must satisfy to extend its eligibility for a tax credit, and reporting requirements with which the business must comply.

(e) No business may be certified under this subsection on or after March 6, 2009.

(4) (a) The corporation shall notify the department of revenue of all the following:

- A technology zone's designation.
- A business's certification and the limit on the amount of tax credits that the business may claim.
- The extension or revocation of a business's certification.



(b) The corporation shall annually verify information submitted to the corporation under ss. 71.07 (2dm), (2dx), and (3g), 71.28 (1dm), (1dx), and (3g), and 71.47 (1dm), (1dx), and (3g).

(5) The corporation shall adopt rules for the operation of this section, including rules related to all the following:

- (a) Criteria for designating an area as a technology zone.
- (b) A business's eligibility for certification, including definitions for all of the following:
  1. New or expanding business.
  2. High-technology business.
- (c) Certifying a business, including use of the factors under sub. (3) (b).
- (d) Standards for establishing the limit on the amount of tax credits that a business may claim.
- (e) Standards for extending a business's certification, including what measures, in addition to job creation, the corporation will use to determine the growth of a specific business and how the corporation will establish baselines against which to measure growth.
- (f) Reporting requirements for certified businesses.
- (g) The exchange of information between the corporation and the department of revenue.
- (h) Reasons for revoking a business's certification.
- (i) Standards for changing the boundaries of a technology zone.

**History:** 2001 a. 16, 104; 2007 a. 183; 2009 a. 2; 2011 a. 32 s. 3448; Stats. 2011 s. 238.23; 2015 a. 55.

**238.25 Assistance to loan recipients.** The corporation shall assist new businesses and small businesses receiving the assistance of the Wisconsin Housing and Economic Development Authority in locating sources of venture capital and in obtaining the state and federal licenses and permits necessary for business operations.

**History:** 2011 a. 32 s. 3305; Stats. 2011 s. 238.25; 2011 a. 214.

**238.26 Report to investment board.** No later than September 30 of each even-numbered year, the corporation shall submit to the investment board a report describing the types of investments in businesses in this state that will have the greatest likelihood of enhancing economic development in this state.

**History:** 2011 a. 32 s. 3329.

**238.28 Refundable tax credits.** It is the intent of the legislature that all credits awarded under ss. 238.16, 238.308, 238.396, and 238.399 become a permanent part of the working capital structure of businesses claiming the credits.

**History:** 2017 a. 59.

## SUBCHAPTER II

### TAX INCENTIVES FOR BUSINESS DEVELOPMENT

**238.30 Definitions.** In this section and ss. 238.301 to 238.395 and 238.398:

(2) "Development zone program" means the program administered under this subchapter.

(2g) "Eligible activity" means an activity described under s. 238.302.

(2m) (a) Except as provided in par. (b), "full-time job" means a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay that is equal to at least 150 percent of the federal minimum wage and benefits that are not required by federal or state law. "Full-time job" does not include initial training before an employment position begins.

(b) The corporation may grant exceptions to the requirement under par. (a) that a full-time job means a position in which an

individual, as a condition of employment, is required to work at least 2,080 hours per year if all of the following apply:

1. The annual pay for the position is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage.

2. An individual in the position is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.

(3) "Indian reservation" has the meaning given in s. 139.30 (9).

(4) "Local governing body" means the governing body of one or more cities, villages, towns, or counties or the elected governing body of a federally recognized American Indian tribe or band in this state.

(4m) "Member of a targeted group" means a person who resides in an area designated by the federal government as an economic revitalization area, a person who is employed in an unsubsidized job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who is employed in a trial job, as defined in s. 49.141 (1) (n), 2011 stats., or in a trial employment match program job, as defined in s. 49.141 (1) (n), a person who is eligible for child care assistance under s. 49.155, a person who is a vocational rehabilitation referral, an economically disadvantaged youth, an economically disadvantaged veteran, a supplemental security income recipient, a general assistance recipient, an economically disadvantaged ex-convict, a dislocated worker, as defined in 29 USC 2801 (9), or a food stamp recipient, if the person has been certified in the manner under 26 USC 51 (d) (13) (A) by a designated local agency, as defined in 26 USC 51 (d) (12).

(5) "Metropolitan statistical area" means a federal standard metropolitan statistical area but does not include areas located within Indian reservations.

(6) "Target population" means persons who are members of targeted groups for the purposes of the credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636.

(7) (a) Except as provided in pars. (b) to (e), "tax benefits" means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636.

(b) 1. Except as provided in subd. 2., in s. 238.395, "tax benefits" means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636. With respect to the development opportunity zones under s. 238.395 (1) (e) and (f), "tax benefits" also means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

2. With respect to the development opportunity zones under s. 238.395 (1) (g), (h), and (i), "tax benefits" means the development zone credits under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636 and the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

(c) In s. 238.398, "tax benefits" means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the development zones credits under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636.

(d) In ss. 238.301 to 238.306, "tax benefits" means the economic development tax credit under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637.

(e) In s. 238.308, "tax benefits" means the business development tax credit under ss. 71.07 (3y), 71.28 (3y), and 71.47 (3y).

**History:** 1987 a. 328, 411; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2005 a. 259; 2009 a. 2, 28; 2011 a. 32 ss. 3408 to 3409; Stats. 2011 s. 238.30; 2011 a. 37 s. 1; 2013 a. 20; 2013 a. 166 s. 58; 2013 a. 168; 2015 a. 55; 2017 a. 365; s. 35.17 correction in (7) (a).

**238.301 Certification for tax benefits. (1) APPLICATION.** Any person may apply to the corporation on a form prepared by the corporation for certification under this section. The application shall include all of the following:

**238.301 ECONOMIC DEVELOPMENT CORPORATION**

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- (a) The name and address of the person.
- (b) The federal tax identification number of the person.
- (c) The names and addresses of the locations where the person conducts business and a description of the business activities conducted at those locations.
- (d) A description of each eligible activity conducted or proposed to be conducted by the person.
- (e) Other information required by the corporation or the department of revenue.

(2) (a) The corporation may certify a person who submits an application under sub. (1) if, after conducting an investigation, the corporation determines that the person is conducting or intends to conduct at least one eligible activity.

(b) The corporation shall provide a person certified under this section with a copy of the certification.

(3) **CONTRACT.** A person certified under this section shall enter into a written contract with the corporation. The contract shall include provisions that detail all of the following:

- (a) A description of each eligible activity being conducted or proposed to be conducted by the person.
- (b) Whether any of the eligible activities will occur in an economically distressed area, as designated by the corporation under s. 238.304 (1).
- (c) Whether any of the eligible activities will benefit members of a targeted group, as determined by the corporation under s. 238.304 (2).
- (d) A compliance schedule that includes a sequence of anticipated actions to be taken or goals to be achieved by the person before the person may receive tax benefits under s. 238.303.
- (e) The reporting requirements with which the person must comply.
- (f) If feasible, a determination of the tax benefits the person will be authorized to claim under s. 238.303 (2) if the person fulfills the terms of the contract.

**History:** 2009 a. 2; 2011 a. 32 s. 3410; Stats. 2011 s. 238.301; 2015 a. 55.

**238.302 Eligible activities.** A person who conducts or proposes to conduct any of the following may be certified under s. 238.301 (2):

(1) **JOB CREATION PROJECT.** A project that creates and maintains for a period of time established by the corporation by rule full-time jobs in addition to any existing full-time jobs provided by the person.

(2) **CAPITAL INVESTMENT PROJECT.** A project that involves a significant investment of capital, as defined by the corporation by rule under s. 238.306 (2) (b), by the person in new equipment, machinery, real property, or depreciable personal property.

(3) **EMPLOYEE TRAINING PROJECT.** A project that involves significant investments in the training or reeducation of employees, as defined by the corporation by rule under s. 238.306 (2) (c), by the person for the purpose of improving the productivity or competitiveness of the business of the person.

(4) **PROJECT RELATED TO PERSONS WITH CORPORATE HEADQUARTERS IN WISCONSIN.** A project that will result in the location or retention of a person's corporate headquarters in Wisconsin or that will result in the retention of employees holding full-time jobs in Wisconsin if the person's corporate headquarters are located in Wisconsin.

**History:** 2009 a. 2; 2011 a. 32 s. 3411; Stats. 2011 s. 238.302.

**238.303 Limits on tax benefits and claiming tax benefits.** (1) **LIMITS.** (a) Except as provided in pars. (am) and (b), the total tax benefits available to be allocated by the corporation under ss. 238.301 to 238.306 may not exceed the sum of the tax benefits remaining to be allocated under s. 560.71 to 560.785, 2009 stats., s. 560.797, 2009 stats., s. 560.798, 2009 stats., s. 560.7995, 2009 stats., and s. 560.96, 2009 stats., on March 6, 2009, plus \$100,000,000.

(am) The corporation may initially allocate only \$61,000,000 of the additional \$100,000,000 in tax benefits specified in par. (a). Before the corporation allocates the remaining \$39,000,000 in tax benefits specified in par. (a), the corporation shall submit its plan for such allocation, including a report that describes the intended use of the tax benefits, to the joint committee on finance. If the cochairpersons of the committee do not notify the corporation within 14 working days after the date of the corporation's submittal that the committee has scheduled a meeting for the purpose of reviewing the plan, the plan may be implemented and the remaining amount may be allocated as proposed by the corporation. If, within 14 working days after the date of the corporation's submittal, the cochairpersons of the committee notify the corporation that the committee has scheduled a meeting for the purpose of reviewing the proposed plan, the plan may be implemented and the remaining amount allocated only upon approval of the committee.

(b) The corporation may submit to the joint committee on finance a request in writing to exceed the total tax benefits specified in par. (a). The corporation shall submit with its request a justification for seeking an increase under this paragraph. The joint committee on finance, following its review, may approve or disapprove an increase in the total tax benefits available to be allocated under ss. 238.301 to 238.306.

(2) **AUTHORITY TO CLAIM TAX BENEFITS.** The corporation may authorize a person certified under s. 238.301 (2) to claim tax benefits only after the person has submitted a report to the corporation that documents to the satisfaction of the corporation that the person has complied with the terms of the contract under s. 238.301 (3) and the requirements of any applicable rules adopted under s. 238.306 (2).

(3) **NOTICE OF ELIGIBILITY.** The corporation shall provide to the person a notice of eligibility to receive tax benefits that reports the amount of tax benefits for which the person is eligible.

(4) **SUNSET.** No tax benefits may be awarded under ss. 238.301 to 238.306 after December 31, 2015, unless the tax benefits were allocated to a taxpayer by the corporation in a contract that the corporation executed before that date or in a letter of intent to enter into such a contract that the corporation issued before that date.

**History:** 2009 a. 2, 265; 2011 a. 4; 2011 a. 32 ss. 3412 to 3415; Stats. 2011 s. 238.303; 2013 a. 20; 2015 a. 55; 2015 a. 195 s. 82.

**238.304 Eligible activities in economically distressed areas and benefiting members of targeted groups.** The corporation may authorize a person certified under s. 238.301 (2) to claim additional tax benefits under s. 238.303 if, after conducting an investigation, the corporation determines any of the following:

(1) The person conducts at least one eligible activity in an area designated by the corporation as economically distressed. In designating an area as economically distressed under this subsection, the corporation shall follow the methodology established by rule under s. 238.306 (2) (e).

(2) The person conducts at least one eligible activity that benefits, creates, retains, or significantly upgrades full-time jobs for, that trains, or that reeducates, members of a targeted group.

**History:** 2009 a. 2; 2011 a. 32 s. 3416; Stats. 2011 s. 238.304.

**238.3045 Transferability of tax benefits.** (1) **APPLICATION AND CORPORATION APPROVAL.** (a) An applicant for certification for tax benefits under s. 238.301 may submit with its application under s. 238.301 (1) an application to the corporation on a form prescribed by the corporation to transfer those tax benefits to another person under this section. The application shall include the name, address, and tax identification number of the person to whom the applicant intends to transfer the tax benefits and any other information the corporation requires. The corporation shall notify the applicant of the corporation's determination concerning the transfer of tax benefits when the corporation notifies the appli-

cant of the corporation's certification determination under s. 238.301.

(b) The corporation may approve the transfer of tax benefits under this section if the corporation certifies the applicant under par. (a) for tax benefits under s. 238.301 and finds that the applicant meets at least one of the following conditions:

1. Is headquartered and employs at least 51 percent of its employees in this state.
2. Intends to relocate its headquarters to this state and employ at least 51 percent of its employees in this state.
3. Intends to expand its operations in this state, and that expansion will result in an increase in the number of full-time employees employed by the applicant in this state in an amount equal to at least 10 percent of the applicant's full-time workforce in this state at the time of application.
4. Intends to expand its operations in this state, and that expansion will result in the applicant making a significant capital investment in property located in this state, as determined by the corporation.

(c) 1. Subject to subd. 2., a person that receives an approval under par. (b) shall transfer tax benefits in accordance with the terms of the application under par. (a) after the corporation authorizes the person to claim tax benefits under s. 238.303 (2) and provides the notice of eligibility under s. 238.303 (3). The notice of eligibility shall contain all relevant information concerning a transfer of tax benefits under this section. The person to whom tax benefits are transferred may carry forward, beginning on the date of the notice of eligibility, any unused amount of the value of those tax benefits as provided under the appropriate provision in ch. 71 or in s. 76.636.

2. Tax benefits may be transferred under this paragraph only in exchange for some consideration, other than money, in connection with the eligible activity for which the tax benefits were initially awarded.

(2) **REVOCATION.** (a) If the corporation revokes a person's certification for tax benefits under s. 238.305, and, at the time of revocation, that person has transferred those tax benefits under this section, that person shall be liable for the full value of the tax benefits, and the person to whom the tax benefits were transferred may not claim any tax benefits that were not claimed prior to revocation.

(c) The department of revenue has full power to administer tax benefits transferred under this section and may take any action, conduct any proceeding, and proceed as it is authorized in respect to income and franchise taxes imposed under ch. 71. The income and franchise tax provisions in ch. 71 relating to assessments, refunds, appeals, collection, interest, and penalties apply to tax benefits transferred under this section.

(3) **ANNUAL REPORT.** Annually, the corporation shall submit a report to the joint committee on finance that provides a detailed assessment of the progress to date of the program under this section.

(4) **PROGRAM LIMITS AND TERMINATION.** (a) Except as provided in par. (b), the corporation may not authorize the transfer of tax benefits under this section that total more than \$15,000,000, and the corporation may not authorize the transfer of tax benefits after 36 months after April 4, 2014.

(b) Upon expiration of the 36-month period under par. (a), the corporation may continue to authorize the transfer of tax benefits under this section for up to an additional 36 months, and the corporation may authorize the transfer of up to an additional \$15,000,000 in tax benefits, if the corporation determines that a continuation of the program under this section will promote significant economic development in this state. Before the corporation authorizes the transfer of tax benefits under this paragraph, the chief executive officer of the corporation shall notify the joint committee on finance in writing that the corporation intends to continue authorizing the transfer of tax benefits under this section. That notice shall state the reasons supporting the corporation's

determination that the transfer of additional tax benefits will promote significant economic development in this state. If, within 14 working days after the date of that notice, the cochairpersons of the committee do not notify the corporation that the committee has scheduled a meeting to review the corporation's proposed continuation of the program, the corporation may proceed to authorize the transfer of additional tax benefits under this section. If, within 14 working days after the date of that notice, the cochairpersons of the committee notify the corporation that the committee has scheduled a meeting to review the proposed continuation of the program, the corporation may proceed to authorize the transfer of additional tax benefits only upon approval of the committee.

**History:** 2013 a. 184; 2015 a. 55.

**238.305 Revocation of certification.** The corporation shall revoke the certification of a person who does any of the following:

- (1) Supplies false or misleading information to obtain certification under s. 238.301 (2).
- (2) Supplies false or misleading information to obtain tax benefits under s. 238.303.
- (3) Leaves the state to conduct substantially the same business outside of the state.
- (4) Ceases operations in the state and does not renew operation of the business or a similar business within 12 months.

**History:** 2009 a. 2; 2011 a. 32 s. 3417; Stats. 2011 s. 238.305.

**238.306 Responsibilities of the corporation.** The corporation shall do all of the following:

(1) **ACCOUNTABILITY.** (a) Verify, under s. 238.03 (2) (e), the information submitted to the corporation by the person for the purpose of claiming tax benefits.

(b) Notify and obtain written approval from the chief executive officer of the corporation for any certification under sub. (2) (j).

(2) **RULES.** Establish by rule all of the following:

(a) A schedule of hourly wage ranges to be paid, and health insurance benefits to be provided, to an employee by a person certified under s. 238.301 (2) and the corresponding per employee tax benefit for which a person certified under s. 238.301 (2) may be eligible.

(b) A definition of "significant investment of capital" for purposes of s. 238.302 (2), together with a corresponding schedule of tax benefits for which a person who is certified under s. 238.301 (2) and who conducts a project described in s. 238.302 (2) may be eligible. The corporation shall include in the definition required under this paragraph a schedule of investments that takes into consideration the size or nature of the business.

(c) A definition of "significant investments in the training or reeducation of employees" for purposes of s. 238.302 (3), together with a corresponding schedule of tax benefits for which a person who is certified under s. 238.301 (2) and who conducts a project under s. 238.302 (3) may be eligible.

(d) A schedule of tax benefits for which a person who is certified under s. 238.301 (2) and who conducts a project that will result in the location or retention of a person's corporate headquarters in Wisconsin may be eligible.

(e) The methodology for designating an area as economically distressed under s. 238.304 (1). The methodology under this paragraph shall require the corporation to consider the most current data available for the area and for the state on the following indicators:

1. Unemployment rate.
2. Percentage of families with incomes below the poverty line established under 42 USC 9902 (2).
3. Median family income.
4. Median per capita income.
5. Average annual wage.
6. Real property values.



7. Other significant or irregular indicators of economic distress, such as a natural disaster.

(f) A schedule of additional tax benefits for which a person who is certified under s. 238.301 (2) and who conducts an eligible activity described under s. 238.304 may be eligible.

(g) Reporting requirements, minimum benchmarks, and outcomes expected of a person certified under s. 238.301 (2) before that person may receive tax benefits under s. 238.303.

(h) Policies, criteria, and methodology for allocating a portion of the tax benefits available under s. 238.303 to rural areas.

(i) Policies, criteria, and methodology for allocating a portion of the tax benefits available under s. 238.303 to small businesses.

(j) Policies and criteria for certifying a person who may be eligible for tax benefits greater than or equal to \$3,000,000.

(k) Procedures for implementing ss. 238.301 to 238.306.

**(3) REPORTING.** Annually, 6 months after the report has been submitted under s. 238.07 (2), submit to the joint legislative audit committee and to the appropriate standing committees of the legislature under s. 13.172 (3) a comprehensive report assessing the program under ss. 238.301 to 238.306. The report under this subsection shall update the applicable information provided in the report under s. 238.07 (2).

**History:** 2009 a. 2; 2011 a. 32 s. 3418; Stats. 2011 s. 238.306; 2017 a. 369.

**238.308 Business development tax credit. (1) DEFINITION.** In this section, “eligible employee” means a person employed in a full-time job by a person certified under sub. (2).

**(2) CERTIFICATION.** (a) The corporation may certify a person to receive tax benefits under this section if all of the following apply:

1. The person is operating or intends to operate a business in this state.

2. The person applies under this section and enters into a contract with the corporation.

(b) The certification of a person under par. (a) may remain in effect for no more than 10 cumulative years.

**(3) ELIGIBILITY FOR TAX BENEFITS.** A person is eligible to receive tax benefits if, in each year for which the person claims tax benefits under this section, the person increases net employment in this state in the person’s business above the net employment in this state in the person’s business during the year before the person was certified under sub. (2), as determined by the corporation under its policies and procedures.

**(4) AWARDS, LIMITS, EXPIRATION.** (a) The corporation may award all of the following tax benefits to a person certified under sub. (2):

1. An amount equal to up to 10 percent of the amount of wages that the person paid to an eligible employee in the taxable year.

2. In addition to any tax benefits awarded for an eligible employee under subd. 1., an amount equal to up to 5 percent of the amount of wages that the person paid to the eligible employee in the taxable year, if the eligible employee is employed in an economically distressed area, as determined by the corporation.

3. An amount equal to up to 50 percent of the person’s training costs incurred to undertake activities to enhance an eligible employee’s general knowledge, employability, and flexibility in the workplace; to develop skills unique to the person’s workplace or equipment; or to develop skills that will increase the quality of the person’s product.

4. An amount equal to up to 3 percent of the person’s personal property investment and up to 5 percent of the person’s real property investment in a capital investment project, if the project involves a total capital investment of at least \$1,000,000 or, if less than \$1,000,000, the project involves a capital investment that is equal to at least \$10,000 per eligible employee employed on the project.

5. An amount, as determined by the corporation, equal to a percentage of the amount of wages that the person paid to an eligible employee in the taxable year, if the position in which the eligible employee was employed was created or retained in connection with the person’s location or retention of the person’s corporate headquarters in Wisconsin and the job duties associated with the eligible employee’s position involve the performance of corporate headquarters functions.

(b) The corporation may allocate up to \$22,000,000 in tax benefits under this section each year. Any unused allocation may be carried forward.

(c) In any year, the corporation may exceed the annual limit on tax benefits specified in par. (b) by up to \$10,000,000 if all of the following apply:

1. The corporation notifies the joint committee on finance in writing of its proposal to exceed the annual limit on tax benefits specified in par. (b).

2. The corporation submits with its notification under subd. 1. evidence that shows the corporation’s proposal is necessary to accomplish the corporation’s statewide economic development objectives.

3. Any of the following is true:

a. The cochairpersons of the joint committee on finance fail to notify the corporation, within 14 working days after the date of the corporation’s notification under subd. 1., that the committee has scheduled a meeting for the purpose of reviewing the corporation’s proposal.

b. The cochairpersons of the joint committee on finance notify the corporation that the committee has approved the corporation’s proposal.

**(5) DUTIES.** (a) The corporation may require a person to repay any tax benefits the person claims for a year in which the person failed to employ an eligible employee required by an agreement under sub. (2) (b).

(b) The corporation shall verify, under s. 238.03 (2) (e), the information submitted to the corporation by the person for the purpose of claiming tax benefits.

(c) The corporation shall adopt policies and procedures for the implementation and operation of this section.

**History:** 2015 a. 55; 2017 a. 59, 369.

**238.31 Designation of development zone. (1)** The corporation may designate an area as a development zone if all of the following apply:

(ac) The corporation has invited a local governing body to nominate the area under s. 238.315.

(am) A local governing body nominates the area as described in s. 238.32.

(b) The corporation has evaluated the local governing body’s application as described in s. 238.325.

(d) The area meets the applicable requirements under s. 238.335.

(e) The corporation determines all of the following:

1. That designation of the area as a development zone will serve a public purpose.

2. That designation of the area as a development zone will likely retain or increase employment in the area.

3. That economic development in the area is not likely to occur or continue without the corporation’s designation of the area as a development zone.

4. That the area meets at least 3 of the following criteria:

a. The unemployment rate in the area is higher than the state average for the 18 months immediately preceding the date on which the application under s. 238.32 (2) or (3) was submitted to the corporation.

b. The percentage of persons residing in the area who are members of households with household income levels at or below 80 percent of the statewide median household income is higher than the state average.

c. The percentage of households in the area receiving unemployment insurance under ch. 108, relief funded by a relief block grant under ch. 49, or aid to families with dependent children under s. 49.19 is higher than the state average.

d. In the 36 months immediately preceding the date on which the application under s. 238.32 (2) or (3) was submitted to the corporation, a number of workers in the area were permanently laid off by their employer or became unemployed as a result of a business action subject to s. 109.07 (1m).

e. An employer in the vicinity of the area has given public notice under s. 109.07 (1m) (a) of either a business closing or a mass layoff of at least 25 employees, or 25 percent of the employees, of a business, whichever is greater, that will result in a number of workers in the area being laid off permanently.

f. Property values in the area have been declining.

g. There has been a decline in the population in the area.

(1m) In making a determination under sub. (1) (e), the corporation shall consider all of the following:

(a) The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.

(b) The prospects for new investment and economic development in the area.

(c) The amount of investment that is likely to result from the designation of the area as a development zone.

(d) The number of full-time jobs that are likely to be created or retained in the area as a result of its designation as a development zone.

(e) The number of full-time jobs that are likely to be available to the target population as a result of the designation of the area as a development zone.

(f) The competitive effect of designating the area as a development zone on other businesses in the vicinity of the area.

(g) The needs of other areas of the state.

(h) Any other factors that the corporation considers relevant.

(2) In determining whether an area meets the requirements under sub. (1) (e) or s. 238.335, the corporation may rely on any data provided by the local governing body that the corporation determines is relevant.

(3) The corporation shall do all of the following:

(a) Determine the number of development zones designated under sub. (1) but may not designate more than 22 development zones over the life of the program.

(b) Divide the number of development zones as evenly as possible between metropolitan statistical areas and areas that are not metropolitan statistical areas.

(c) 1. Designate at least one development zone that is entirely within a 1st class city.

2. Designate at least 2 development zones that are each at least partially within an Indian reservation.

3. Of the development zones that are designated after April 25, 1996, designate one that is in an urban area.

(4) No development zone may be designated under this section after March 6, 2009.

**History:** 1987 a. 328; 1989 a. 31, 336; 1993 a. 16; 1995 a. 209; 1997 a. 27, 39, 103; 2009 a. 2, 87; 2011 a. 32 s. 3419; Stats. 2011 s. 238.31.

**238.315 Invitation to nominate area.** If the corporation determines that an area has experienced or is about to experience economic distress, the corporation may invite local governing bodies in the area to nominate the area as a development zone.

**History:** 1997 a. 103; 2011 a. 32 s. 3420; Stats. 2011 s. 238.315.

**238.32 Application by local governing bodies.** (1) A local governing body may nominate an area as a development

zone, if the corporation has invited the governing body to nominate the area under s. 238.315 and if the governing body does all of the following:

(a) Holds at least one public hearing on the issue of designating the area as a development zone.

(b) Adopts a resolution or ordinance authorizing it to nominate the area under this section.

(2) A local governing body may nominate the area as a development zone by submitting an application to the corporation in a form prescribed by the corporation. The application shall include all of the following:

(a) A copy of the ordinance or resolution authorizing the local governing body to nominate the area as a development zone.

(b) Transcripts of the public hearing under sub. (1) (a).

(c) Evidence that the area meets at least 3 of the criteria under s. 238.31 (1) (e) 4.

(d) Evidence that the area meets the applicable requirements of s. 238.335.

(e) A description of the land use patterns in the area including:

1. A detailed map of the area.

2. Information about vacant buildings or land available for development.

(f) A description of past and present economic development activities in the area under local, state, or federal programs.

(g) A description of the local governing body's goals for the economic development of the area.

(h) An assessment of the effect of making the area a development zone on full-time jobs available to the targeted population.

(i) Any other information required by the corporation.

(j) Any other information the local governing body considers relevant.

(3) Two or more local governing bodies may submit a joint application nominating an area as a development zone, subject to s. 238.335 (2), if each local governing body complies with subs. (1) and (2).

(5) The corporation may permit a local governing body to revise an application that the corporation determines is inadequate or incomplete.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 27, 103; 2011 a. 32 s. 3421; Stats. 2011 s. 238.32.

**238.325 Evaluation by corporation.** (1) The corporation shall evaluate applications received under s. 238.32 (2) and (3).

(2) Subject to s. 238.335 (5), the corporation may reduce the size of an area nominated as a development zone, if the corporation determines the boundaries as proposed by the local governing body in an application under s. 238.32 (2) or (3) are inconsistent with the purpose of the development zone program. Any nominated area which is reduced under this subsection need not comply with s. 238.335 (1) and (4).

(3) After evaluating an application submitted under s. 238.32 (2) or (3), the corporation may approve the application, subject to any reduction in the size of the nominated area under sub. (2). If the corporation approves the application, the corporation shall designate the area as a development zone, subject to s. 238.31, and notify the local governing body.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 103; 2011 a. 32 s. 3422; Stats. 2011 s. 238.325.

**238.335 Boundaries and size of development zones.**

(1) An area that is located within a metropolitan statistical area may not be nominated or designated as a development zone unless all of the following apply:

(a) The area contains less than 10 percent of the valuation of the property of the city, village, or town, as determined under s. 70.57, in which the area is located.

(b) If the area is located within a 1st class city, the population of the area as estimated under s. 16.96 is not less than 4,000 and

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not more than 10 percent of the city's population, as estimated under s. 16.96.

(c) If the area is located within a village, town, or city other than a 1st class city, the population of the area is not less than 1,000 nor more than 10,000, as estimated under s. 16.96.

(2) If an area is located within the boundaries of 2 or more cities, villages, or towns, the property value of the cities, villages, or towns under sub. (1) (a) shall be combined for the purposes of sub. (1).

(4) An area that is located within the boundaries of an Indian reservation may not be nominated or designated as a development zone unless the population of the area, as estimated under s. 16.96, is less than or equals 5,000.

(5) Except as provided in sub. (6), an area may not be nominated or designated a development zone unless all of the following apply:

(a) The area has a continuous border following natural or man-made boundaries such as streets, highways, rivers, municipal limits, or limits of a reservation.

(b) The area consists of contiguous blocks, census blocks, or similar units.

(6) (a) Except as provided in pars. (b) and (c), 2 separate areas may be nominated or designated as one development zone, if all of the following apply:

1. Each of the areas has a continuous border following natural or man-made boundaries and consists of contiguous blocks, census blocks, or similar units.

2. Each area meets at least 3 of the criteria listed in s. 238.31 (1) (e) 4.

3. Considered together, the areas meet the requirements of sub. (1).

(b) Except as provided in par. (c), in a 1st class city, up to 8 separate areas may be nominated or designated as one development zone, if par. (a) 1. to 3. applies.

(c) If an application is submitted by the governing body of a county under s. 238.32 (2) or (3), up to 4 separate areas may be nominated or designated as one development zone, if par. (a) 1. to 3. applies.

(6m) An area that is comprised of entire counties may be nominated or designated as one development zone only if the population of the entire area does not exceed 75,000.

(6r) Subject to the population limit under sub. (6m), if an area that is nominated or designated as a development zone is comprised of one or more entire counties and a city, village, or town is partially located in the area and partially located outside of the area, the entire city, village, or town shall be part of the nominated or designated area.

(7) The corporation may waive the requirements of this section in a particular case, if the corporation determines that application of the requirement is impractical with respect to a particular development zone.

**History:** 1987 a. 328; 1989 a. 56; 1995 a. 209; 1997 a. 27; 2011 a. 32 s. 3423; Stats. 2011 s. 238.335.

**238.34 Change in boundary and size of development zones.** (1) Except as provided under sub. (6), at any time after a development zone is designated by the corporation, a local governing body may submit an application to change the boundaries of the development zone. If the boundary change reduces the size of a development zone, the local governing body shall explain why the area excluded should no longer be in a development zone. The corporation may require the local governing body to submit additional information.

(2) The corporation may approve an application for a boundary change if the development zone, as affected by the boundary changes, meets the applicable requirements of s. 238.335 and 3 of the criteria under s. 238.31 (1) (e) 4.

(3) If the corporation approves an application for a boundary change under sub. (2), it shall do all of the following:

(a) Redetermine the limit on the tax benefits for the development zone established under s. 238.345 (2) (a).

(b) Notify the local governing body which submitted the application of the change in the boundary or tax benefits limit of the development zone.

(4) The change in the boundaries or tax benefits limit of a development zone shall be effective on the day the corporation notifies the local governing body under sub. (3) (b).

(5) No change in the boundaries of a development zone may affect the duration of an area as a development zone under s. 238.345 (1) (a). The corporation may consider a change in the boundary of a development zone when evaluating an application for an extension of the designation of an area as a development zone under s. 238.345 (1) (b).

(6) The corporation may not accept any applications under sub. (1) to change the boundaries of a development zone designated under s. 238.31 on or after March 6, 2009.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 103; 2009 a. 2; 2011 a. 32 s. 3425; Stats. 2011 s. 238.34.

**238.345 Duration, renewal and expiration.** (1) (a) The designation of an area as a development zone shall be effective for 240 months, beginning on the day the corporation notifies the local governing body under s. 238.325 (3) of the designation.

(b) The local governing body may apply to the corporation for one 60-month extension of the designation. The corporation shall adopt rules establishing criteria for approving an extension of a designation of an area as a development zone under this subsection. No applications may be accepted by the corporation under this paragraph on or after March 6, 2009.

(c) Paragraphs (a) and (b) apply to designations of areas as development zones that are in effect on June 2, 2000, or that are made on or after June 2, 2000.

(2) (a) When the corporation designates a development zone under s. 238.31, it shall establish a limit for tax benefits for the development zone determined by allocating to the development zone a portion of \$38,155,000.

(am) Notwithstanding par. (a), the corporation may increase the established limit for tax benefits for a development zone. The corporation may not increase the limit for tax benefits established for any development zone designated under s. 238.31 on or after March 6, 2009.

(b) Annually the corporation shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each development zone.

(c) Notwithstanding sub. (1), the designation of an area as a development zone shall expire on the earlier of the following:

1. Ninety days after the day on which the corporation determines that the forgone tax revenues under par. (b) will equal or exceed the limit for the development zone established under par. (a) or (am).

2. The day that the corporation withdraws its designation of an area as a development zone under sub. (3).

(d) The corporation shall immediately notify the local governing body of a change in the expiration date of the development zone under par. (c).

(3) The corporation may withdraw the designation of an area as a development zone if any of the following applies:

(a) No person is certified as eligible to receive tax benefits under s. 238.365 (3) during the 12-month period beginning on the day the area is designated as a development zone and the corporation determines that the local governing body that nominated the zone is not in compliance with s. 238.363.



(b) No person is certified as eligible to receive tax benefits under s. 238.365 (3) during the 24-month period beginning on the day the area is designated a development zone.

**History:** 1987 a. 328; 1989 a. 31, 336; 1993 a. 16; 1995 a. 209; 1997 a. 27, 103; 1999 a. 9, 32, 193; 2009 a. 2; 2011 a. 32 s. 3426; Stats. 2011 s. 238.345; 2013 a. 166.

**238.35 Additional duties of the corporation.** The corporation shall do all of the following:

(1) Monitor and evaluate the implementation of the development zone program.

(2) Apply to the federal government for assistance for the development zone program.

(4) Help eligible persons apply for and obtain tax benefits.

(5) Help local governing bodies prepare applications for development zones.

(6) Notify University of Wisconsin small business development centers, the Wisconsin housing and development centers, the central administration of all University of Wisconsin campuses and regional planning commissions about the development zone program and encourage those entities to provide advice to the corporation or local governing bodies on ways to improve the development zone program.

(7) Prepare forms for the certification described under s. 238.365 (5).

(8) Annually verify information submitted to the corporation under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.

(10) Enter into an agreement with the local governing body of a 1st class city where a development zone is designated under s. 238.31 (3) (c) 1. to provide efficient administration of the development zone program within the development zone.

**History:** 1987 a. 328; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 16; 1995 a. 27 ss. 6936, 9130 (4); 1995 a. 209; 1997 a. 3, 27, 103; 1999 a. 9; 2005 a. 259; 2011 a. 32 s. 3427; Stats. 2011 s. 238.35.

**238.363 Duties of local governing bodies.** (1) If an area nominated by a local governing body is designated as a development zone under s. 238.31, the local governing body shall do all of the following:

(b) Promote economic development within the development zone.

(c) Assist the corporation in the administration of the development zone program.

(4) The local governing body of a 1st class city where a development zone is designated under s. 238.31 (3) (c) 1. shall enter into an agreement with the corporation to provide efficient administration of the development zone program within the development zone.

**History:** 1987 a. 328; 1995 a. 209; 2011 a. 32 s. 3428; Stats. s. 238.363.

**238.365 Certification for tax benefits.** The corporation shall do all of the following:

(1) Evaluate the likelihood that a person applying for tax benefits engages or will engage in economic activity consistent with the development zone application.

(2) Determine whether a person applying for tax benefits engages or will engage in economic activity that violates s. 238.38 (1).

(3) Subject to s. 238.38, certify persons who are eligible to claim tax benefits while an area is designated as a development zone, according to the following criteria:

(a) The likelihood that the person will continue to conduct economic activity in the area following expiration of the designation of the area as a development zone.

(b) The person's commitment not to engage in economic activity that violates s. 238.38 (1).

(bm) The person's commitment to use techniques or processes that reduce or eliminate the use of ozone-depleting substances that are listed as class I substances under 42 USC 7671a.

(c) The number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's economic activity in relation to the amount of tax benefits estimated for the person under sub. (4).

(d) The person's plans to make reasonable attempts to hire employees from the targeted population.

(e) The amount the person proposes to invest in a business, or spend on the construction, rehabilitation, repair, or remodeling of a building, located within the development zone.

(f) The likelihood that the person's economic activity will attract other forms of economic activity to the development zone.

(g) Whether the person's proposed economic activity is consistent with the development zone application.

(h) The effects of the person's proposed investment on the economic and social well-being of the targeted population.

(j) Any other criteria established under rules adopted by the corporation.

(4) Within 3 months after a person is certified under sub. (3), estimate the amount of tax benefits that the person will claim while an area is designated as a development zone.

(5) Provide a person certified under sub. (3) and the department of revenue with a copy of the certification. The certification shall include all of the following:

(a) The name and address of the person's business.

(b) The appropriate Wisconsin tax identification number of the person.

(c) The names and addresses of other locations outside of the development zone where the person conducts business and a description of the business activities conducted at those locations.

(d) The estimated total investment of the person in the development zone.

(e) The estimated number of full-time jobs that will be created, retained, or significantly upgraded in the development zone because of the person's business.

(f) An estimate of the number or percentage of full-time jobs described in par. (e) that are or will likely be held by members of the targeted population.

(g) The limit under s. 238.368 on tax benefits the person may claim while an area is designated as a development zone.

(h) Other information required by the corporation or the department of revenue.

**History:** 1987 a. 328; 1989 a. 31; 1993 a. 243; 1997 a. 27, 103; 2011 a. 32 s. 3429; Stats. s. 238.365.

**238.368 Limits on tax benefit to certified person.**

(1) (a) The corporation shall establish a limit on the maximum amount of tax benefits a person certified under s. 238.365 (3) may claim while an area is designated as a development zone.

(b) When establishing a limit on tax benefits under par. (a), the corporation shall do all of the following:

1. Consider all of the criteria described in s. 238.365 (3) (a) to (e).

2. Establish a limit which does not greatly exceed a recommended limit, established under rules adopted by the corporation based on the cost, number and types of full-time jobs that will be created, retained, or upgraded, including full-time jobs available to members of the targeted population, as a result of the economic activity of the person certified under s. 238.365 (3).

(2) The corporation may, upon request, increase a limit on tax benefits established under sub. (1) if the corporation does all of the following:

(a) Complies with sub. (1) (b) with respect to the proposed increase.

(b) Revises the certification required under s. 238.365 (5) and provides a copy of the revised form to the department of revenue and the person whose limit is increased under this subsection.

(3) (a) The corporation may reduce a limit established under sub. (1) or (2) if the corporation determines that any of the following applies:

1. The limit is not consistent with the criteria listed under s. 238.365 (3) (a) to (e).

2. The information on which the limit is based was inaccurate or significantly misestimated.

(b) The corporation shall notify the department of revenue and the person whose limit on tax benefits is reduced under par. (a) and provide a written explanation to the person of the reasons for reducing the limit.

**History:** 1987 a. 328; 1989 a. 31, 56; 1997 a. 27; 2005 a. 253; 2011 a. 32 s. 3430; Stats. 2011 s. 238.368.

**238.37 Revocation of certification.** (1) The corporation shall revoke the certification of a person certified under s. 238.365 (3) if the person does any of the following:

(a) Supplies false or misleading information to obtain certification.

(b) Becomes subject to revocation under s. 238.38 (1).

(c) Leaves the development zone to conduct substantially the same business outside of the development zone.

(d) Ceases operations in the development zone and does not renew operation of the trade or business or a similar trade or business in the development zone within 12 months.

(2) The corporation shall notify the department of revenue within 30 days of revoking a certification under sub. (1).

**History:** 1987 a. 328; 2011 a. 32 s. 3431; Stats. 2011 s. 238.37.

**238.38 Certification prohibited in certain cases.**

(1) Except as provided in subs. (2) and (3), no person may be certified under s. 238.365 (3), or a person's certification may be revoked under s. 238.37, if the proposed new business, expansion of an existing business, or other proposed economic activity in a development zone would do or does any of the following:

(a) Result in the direct loss of full-time jobs at another of the person's business locations in this state outside of the development zone.

(b) Likely result in the direct transfer of employees from a business location in this state to a business location in the development zone.

(1m) No person may be certified under s. 238.365 (3) on or after March 6, 2009.

(2) Subsection (1) does not apply if, after a hearing, the corporation, or the local governing body under sub. (3) (a), determines that any of the following applies:

(a) The total number of full-time jobs provided by the person in this state would be reduced if the person were not certified under s. 238.365 (3) or if the person's certification were revoked.

(b) The situation is extraordinary.

(3) (a) Except as provided in pars. (b) and (c), if the economic activity for which a person is seeking certification under s. 238.365 (3) is the relocation of a business into a development zone from a location that is outside the development zone but within the limits of a city, village, town, or federally recognized American Indian reservation in which that development zone is located, the local governing body that nominated that area as a development zone under s. 238.32 shall determine whether sub. (2) (a) or (b) applies.

(b) Only the corporation may determine whether sub. (2) (a) or (b) applies to a business relocation described in par. (a) if the business relocation would likely result in the loss of full-time jobs at or transfer of employees from a business location that is in this state but outside the limits of any city, village, town, or federally recognized American Indian reservation in which the development zone is located.

(c) No local governing body may make any determination under this subsection on or after March 6, 2009.

**History:** 1987 a. 328; 1993 a. 275; 1997 a. 27; 2005 a. 253; 2009 a. 2; 2011 a. 32 s. 3432; Stats. 2011 s. 238.38.

**238.385 Rules on eligibility for tax benefits.** (1) For the development zone program under ss. 238.30 and 238.31 to 238.38, the development opportunity zone program under s. 238.395, and the enterprise development zone program under s. 238.397, the corporation shall adopt rules that further define a person's eligibility for tax benefits. The rules shall do at least all of the following:

(a) Limit a person's eligibility to claim tax benefits for retaining full-time jobs to those jobs that likely would not have been retained but for the tax benefits.

(b) Allow a person to claim up to \$8,000 in tax benefits during the time that an area is designated as a development zone, as a development opportunity zone, or as an enterprise development zone for creating a full-time job that is filled by a member of the target population.

(bm) Allow a person to claim up to \$8,000 in tax benefits during the time that an area is designated as an enterprise development zone for retaining a full-time job if the corporation determines that the person made a significant capital investment to retain the full-time job.

(c) Allow a person to claim up to \$6,000 in tax benefits during the time that an area is designated as a development zone, as a development opportunity zone, or as an enterprise development zone for any of the following:

1. Creating a full-time job that is filled by an individual who is a Wisconsin resident and who is not a member of the target population.

2. Retaining a full-time job that is filled by an individual who is a Wisconsin resident and who is not a member of the target population.

(d) Except for a person claiming tax benefits only for environmental remediation under s. 71.07 (2dx) (b) 1., 71.28 (1dx) (b) 1., 71.47 (1dx) (b) 1., or 76.636, require at least 25 percent of the tax benefits claimed by a person to be based on creating or retaining full-time jobs.

(e) Require at least one-third of the tax benefits claimed by a person that are based on creating full-time jobs to be based on creating full-time jobs that are filled by members of the target population.

(f) Specify how long a full-time job that is created or retained by a person must be maintained in order for the person to claim tax benefits for the full-time job.

(g) Generally provide incentives for the retention of employees filling full-time jobs upon which tax benefits are based.

(h) Provide that a person's eligibility to claim tax benefits for environmental remediation under s. 71.07 (2dx) (b) 1., 71.28 (1dx) (b) 1., 71.47 (1dx) (b) 1., or 76.636 is not based on creating or retaining jobs.

(2) The corporation may by rule specify circumstances under which the corporation may grant exceptions to any of the following:

(a) The requirements specified under sub. (1) (d) and (e).

(b) The requirement under ss. 238.30 (2m) and 238.397 (1) (am) that an individual's pay must equal at least 150 percent of the federal minimum wage.

(c) The requirement under ss. 238.30 (2m) and 238.397 (1) (am) that an individual's position must be regular, nonseasonal, and full-time and that the individual must be required to work at least 2,080 hours per year, including paid leave and holidays.

**History:** 1997 a. 27, 41; 1999 a. 9; 2005 a. 259; 2009 a. 2; 2011 a. 32 s. 3433; Stats. 2011 s. 238.385.

**238.395 Development opportunity zones. (1) DESIGNATION OF DEVELOPMENT OPPORTUNITY ZONES.** The following areas are designated as development opportunity zones:

(a) An area in the city of Beloit, the legal description of which is provided to the corporation by the local governing body of the city of Beloit.

(b) An area in the city of West Allis, the legal description of which is provided to the corporation by the local governing body of the city of West Allis.

(c) An area in the city of Eau Claire, the legal description of which is provided to the corporation by the local governing body of the city of Eau Claire.

(d) An area in the city of Kenosha, the legal description of which is provided to the corporation by the local governing body of the city of Kenosha.

(e) An area in the city of Milwaukee, the legal description of which is provided to the corporation by the local governing body of the city of Milwaukee.

(f) For the Gateway Project, an area in the city of Beloit, the legal description of which is provided to the corporation by the local governing body of the city of Beloit.

(g) An area in the city of Janesville, the legal description of which is provided to the corporation by the local governing body of the city of Janesville.

(h) An area in the city of Kenosha, the legal description of which is provided to the corporation by the local governing body of the city of Kenosha.

(i) An area in the city of Beloit, the legal description of which is provided to the corporation by the local governing body of the city of Beloit.

**(2) DURATION, LIMITS AND EXPIRATION.** (a) Except as provided in par. (d), the designation of each area under sub. (1) (a), (b), and (c) as a development opportunity zone shall be effective for 36 months, with the designation of the areas under sub. (1) (a) and (b) beginning on April 23, 1994, and the designation of the area under sub. (1) (c) beginning on April 28, 1995. Except as provided in par. (d), the designation of each area under sub. (1) (d) and (e) as a development opportunity zone shall be effective for 84 months, with the designation of the area under sub. (1) (d) beginning on January 1, 2000, and the designation of the area under sub. (1) (e) beginning on September 1, 2001. Except as provided in par. (d), the designation of the area under sub. (1) (f) as a development opportunity zone shall be effective for 108 months, beginning on September 1, 2001. Except as provided in pars. (d) and (e), the designation of each area under sub. (1) (g) and (h) as a development opportunity zone shall be effective for 60 months, beginning on the date on which the area is designated under sub. (1). Except as provided in pars. (d) and (e), the designation of the area under sub. (1) (i) shall be effective for 60 months, beginning on August 1, 2011.

(b) 1. The limit for tax benefits for the development opportunity zone under sub. (1) (a) is \$7,000,000.

2. The limit for tax benefits for the development opportunity zone under sub. (1) (b) is \$3,000,000.

3. The limit for tax benefits for the development opportunity zone under sub. (1) (c) is \$3,000,000.

4. The limit for tax benefits for the development opportunity zone under sub. (1) (d) is \$7,000,000.

5. The limit for tax benefits for the development opportunity zone under sub. (1) (e) is \$4,700,000.

6. The limit for tax benefits for the development opportunity zone under sub. (1) (f) is \$6,700,000.

7. Except as provided in par. (e) 1., the limit for tax benefits for the development opportunity zone under sub. (1) (g) is \$5,000,000.

8. Except as provided in par. (e) 2., the limit for tax benefits for the development opportunity zone under sub. (1) (h) is \$5,000,000.

9. Except as provided in par. (e) 3., the limit for tax benefits for the development opportunity zone under sub. (1) (i) is \$5,000,000.

(c) Annually, the corporation shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each development opportunity zone.

(d) 1. Notwithstanding pars. (a) and (e), the designation of an area as a development opportunity zone shall expire 90 days after the day on which the corporation determines that the forgone tax revenues under par. (c) will equal or exceed the limit for the development opportunity zone.

2. The corporation shall immediately notify the local governing body of the city in which the development opportunity zone is located of a change in the expiration date of the development opportunity zone under this paragraph.

(e) 1. The corporation may extend the designation of an area under sub. (1) (g) as a development opportunity zone for an additional 60 months if the corporation determines that an extension under this subdivision would support economic development within the city. If the corporation extends the designation of the area as a development opportunity zone, the limit for tax benefits for the development opportunity zone under sub. (1) (g) is increased by \$5,000,000.

2. The corporation may extend the designation of an area under sub. (1) (h) as a development opportunity zone for an additional 60 months if the corporation determines that an extension under this subdivision would support economic development within the city. If the corporation extends the designation of the area as a development opportunity zone, the limit for tax benefits for the development opportunity zone under sub. (1) (h) is increased by \$5,000,000.

3. The corporation may extend the designation of an area under sub. (1) (i) as a development opportunity zone for an additional 60 months if the corporation determines that an extension will support economic development within the city. If the corporation grants an extension under this subdivision, the limit for tax benefits for the development opportunity zone under sub. (1) (i) is increased by \$5,000,000.

**(3) APPLICATION AND ENTITLEMENT TO TAX BENEFITS.** (a) 1. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (a) or (b) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation no later than 6 months after April 23, 1994, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

2. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (c) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation no later than 6 months after April 28, 1995, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

3. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (d) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation no later than July 1, 2000, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

4. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (e), (f), (g), (h), or (i) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.



(b) A project plan under par. (a) shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.
2. The appropriate federal tax identification number of the person.
3. The names and addresses of other locations outside of the development opportunity zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in a business, or spend on the construction, rehabilitation, repair, or remodeling of a building, located within the development opportunity zone.
5. The estimated total investment of the person in the development opportunity zone.
6. The number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's economic activity in relation to the amount of tax benefits estimated for the person.
7. The person's plans to make reasonable attempts to hire employees from the targeted population.
8. A description of the commitment of the local governing body of the city in which the development opportunity zone is located to the person's project.
9. Other information required by the corporation or the department of revenue.

(d) The corporation shall verify, under s. 238.03 (2) (e), the information submitted to the corporation by the person for the purpose of claiming tax benefits.

(4) The corporation shall revoke the entitlement of a person to claim tax benefits under sub. (3) if the person does any of the following:

- (a) Supplies false or misleading information to obtain the tax benefits.
- (b) Leaves the development opportunity zone to conduct substantially the same business outside of the development opportunity zone.
- (c) Ceases operations in the development opportunity zone and does not renew operation of the trade or business or a similar trade or business in the development opportunity zone within 12 months.

(5) CERTIFICATION BASED ON THE ACTIVITY OF ANOTHER. (a) The corporation may certify for tax benefits a person that is conducting economic activity in the development opportunity zone under sub. (1) (e) or (f) and that is not otherwise entitled to claim tax benefits if all of the following apply:

1. The person's economic activity is instrumental in enabling another person to conduct economic activity in the development opportunity zone under sub. (1) (e) or (f).
2. The corporation determines that the economic activity of the other person under subd. 1. would not have occurred but for the involvement of the person to be certified for tax benefits under this subsection.
3. The person to be certified for tax benefits under this subsection will pass the benefits through to the other person conducting the economic activity under subd. 1., as determined by the corporation.
4. The other person conducting the economic activity under subd. 1. does not claim tax benefits under sub. (3).

(b) A person intending to claim tax benefits under this subsection shall submit to the corporation an application, in the form required by the corporation, containing information required by the corporation and by the department of revenue.

(c) The corporation shall notify the department of revenue of all persons certified to claim tax benefits under this subsection.

(d) The corporation annually shall verify information submitted to the corporation under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), 71.47 (1dm) or (1dx), or 76.636.

(e) The corporation shall revoke the entitlement of a person to claim tax benefits under this subsection if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.
2. Ceases operations in the development opportunity zone under sub. (1) (e) or (f).
3. Does not pass the benefits through to the other person conducting the economic activity under par. (a) 1., as determined by the corporation.

(f) The corporation shall notify the department of revenue within 30 days after revoking an entitlement under par. (e).

**History:** 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32; 2001 a. 16, 104; 2003 a. 33; 2005 a. 259; 2007 a. 20; 2009 a. 28; 2011 a. 32 s. 3434; Stats. 2011 s. 238.395; 2011 a. 37 ss. 2 to 6; 2013 a. 166 ss. 52, 53, 59, 76; 2015 a. 55; 2017 a. 369.

**238.396 Electronics and information technology manufacturing zone.** (1) DEFINITION. In this section, "tax benefits" means the income and franchise tax credits under ss. 71.07 (3wm) and 71.28 (3wm).

(1m) DESIGNATION OF ZONE; CRITERIA. (a) The corporation may designate not more than one electronics and information technology manufacturing zone in this state. The zone may not include any area outside this state.

(b) In determining whether to designate an area under par. (a), the corporation shall consider all of the following:

1. Indicators of the area's economic need, which may include data regarding household income, average wages, the condition of property, housing values, population decline, job losses, infrastructure and energy support, the rate of business development, and the existing resources available to the area.
2. The effect of designation on other initiatives and programs to promote economic and community development in the area, including job retention, job creation, job training, and creating high-paying jobs.

(d) The corporation shall, to the extent possible, give preference to the greatest economic need.

(2) TIME LIMIT. A designation under sub. (1m) shall remain in effect for no more than 15 years.

(3) CERTIFICATION. The corporation may certify for tax benefits a business that begins operations in an electronics and information technology manufacturing zone.

(3m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES. If the corporation determines that a business certified under sub. (3) makes a significant capital expenditure in the electronics and information technology manufacturing zone, the corporation may certify the business to receive additional tax benefits in an amount to be determined by the corporation, but not exceeding 15 percent of the business's capital expenditures. The corporation shall, in a manner determined by the corporation, allocate the tax benefits a business is certified to receive under this subsection over a period of 7 years. The corporation shall establish job creation thresholds for a business certified under sub. (3) for each year in the zone. The claiming of capital expenditure tax benefits under ss. 71.07 (3wm) (bm) and 71.28 (3wm) (bm) shall be tied to those job creation thresholds.

(3s) LIMITATIONS ON TAX BENEFITS. (a) The corporation may not issue certifications to claim tax benefits under ss. 71.07 (3wm) (b) and 71.28 (3wm) (b) that total more than \$1,500,000,000.

(b) The corporation may not issue certifications to claim tax benefits under ss. 71.07 (3wm) (bm) and 71.28 (3wm) (bm) that total more than \$1,350,000,000.

(c) The corporation may not certify a business to claim tax benefits under ss. 71.07 (3wm) (b) and 71.28 (3wm) (b) for services performed outside this state.

(4) OTHER DUTIES. (a) The corporation shall revoke a certification under sub. (3) if the business does any of the following:

1. Supplies false or misleading information to obtain tax benefits.
2. Leaves the electronics and information technology manufacturing zone to conduct substantially the same business outside the zone.
3. Ceases operations in the electronics and information technology manufacturing zone and does not renew operation of the business or a similar business in the zone within 12 months.

(b) The corporation may require a business to repay any tax benefits the business claims for a year in which the business failed to maintain employment levels or a significant capital investment in property required by an agreement between the business and the corporation.

(c) The corporation shall determine the maximum amount of the tax benefits that a certified business may claim and shall notify the department of revenue of this amount.

(d) The corporation shall verify, under s. 238.03 (2) (e), the information submitted to the corporation by the person for the purpose of claiming tax benefits.

(f) The corporation shall adopt policies and procedures defining “significant capital expenditure” for purposes of sub. (3m).

(fm) The corporation shall cooperate with the legislative audit bureau for purposes of the audit bureau’s performance of its duties under s. 13.94 (1) (u).

(fs) The corporation shall contract with a business certified under sub. (3).

(g) The corporation shall, to the extent possible, attempt to include terms in any agreement negotiated between the corporation and a business under par. (fs) that encourage the business’s hiring of Wisconsin residents.

(5) NO ENVIRONMENTAL IMPACT STATEMENT REQUIRED. The issuance of any permit or approval for a new manufacturing facility within an electronics and information technology manufacturing zone designated under this section is not a major action for the purposes of s. 1.11 (2) (c).

History: 2017 a. 58, 369.

### 238.397 Enterprise development zone program.

(1) DEFINITIONS. In this section:

(a) “Environmental pollution” has the meaning given in s. 299.01 (4).

(aj) “Environmental remediation” has the meaning given in s. 71.07 (2dx) (a) 3.

(am) “Full-time job” has the meaning given in s. 238.30 (2m).

(b) “Project” means economic activity in the state.

(c) “Target population” has the meaning given in s. 238.30 (6).

(d) “Tax benefits” has the meaning given in s. 238.30 (7).

(2) CRITERIA FOR DESIGNATION AS AN ENTERPRISE DEVELOPMENT ZONE. (a) Subject to pars. (c), (d), and (e), the corporation may designate an area as an enterprise development zone for a project if the corporation determines all of the following:

1. That the project serves a public purpose.
2. That the project will likely retain or increase employment in the state.
3. That the project is not likely to occur or continue without the corporation’s designation of the area as an enterprise development zone.
4. That the project will likely positively affect an area that meets at least 3 of the following criteria:
  - a. The unemployment rate in the area is higher than the state average for the 18 months immediately preceding the date on

which the application under sub. (3) was submitted to the corporation.

b. The percentage of persons residing in the area who are members of households with household income levels at or below 80 percent of the statewide median household income is higher than the state average.

c. The percentage of households in the area receiving unemployment insurance under ch. 108, relief funded by a relief block grant under ch. 49 or aid to families with dependent children under s. 49.19 is higher than the state average.

d. In the 36 months immediately preceding the date on which the application under sub. (3) was submitted to the corporation, a number of workers in the area were permanently laid off by their employer or became unemployed as a result of a business action subject to s. 109.07 (1m).

e. An employer in the vicinity of the area has given public notice under s. 109.07 (1m) (a) of either a business closing or a mass layoff of at least 25 employees, or 25 percent of the employees, of a business, whichever is greater, that will result in a number of workers in the area being laid off permanently.

f. Property values in the area have been declining.

g. There has been a decline in the population in the area.

(b) In making a determination under par. (a), the corporation shall consider all of the following:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.
2. The prospects for new investment and economic development in the area.
3. The amount of investment that is likely to result from the project.
4. The number of full-time jobs that are likely to be created as a result of the project.
5. The number of full-time jobs that are likely to be available to the target population as a result of the project.
6. The competitive effect of designating the area as an enterprise development zone on other businesses in the area.
7. The needs of other areas of the state.
8. Any other factors that the corporation considers relevant.

(bg) Notwithstanding par. (a) and subject to pars. (c), (d), and (e), the corporation may designate an area as an enterprise development zone for a project if the corporation determines all of the following:

1. That the project serves a public purpose.
2. That the project is not likely to occur or continue without the corporation’s designation of the area as an enterprise development zone.
3. That the project will likely provide for significant environmental remediation.

(br) In making a determination under par. (bg), the corporation shall consider all of the following:

1. The factors specified in par. (b) 1. to 8.
2. The environmental remediation that is likely to result from the project.

(c) The corporation may not designate as an enterprise development zone, or as any part of an enterprise development zone, an area that is located within the boundaries of an area that is designated as a development opportunity zone under s. 238.395, the designation of which is in effect.

(d) The corporation may not designate more than 98 enterprise development zones unless the corporation obtains the approval of the joint committee on finance to do so. Of the enterprise development zones that the corporation designates, at least 10 shall be designated under par. (bg).

(e) The corporation may not designate any area as an enterprise development zone on or after March 6, 2009.

(3) APPLICATION AND PROJECT PLAN. (a) A person that conducts or that intends to conduct a project and that desires to have

the area in which the project is or is to be conducted designated as an enterprise development zone for the purpose of claiming tax benefits may submit to the corporation an application and a project plan.

(b) A project plan under par. (a) shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.
2. The appropriate Wisconsin tax identification number of the person.
3. The names and addresses of other locations outside of the area proposed to be designated as an enterprise development zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in a business; to spend on the construction, rehabilitation, repair, or remodeling of a building; or to spend on the removal or containment of, or the restoration of soil or groundwater affected by, environmental pollution; in the area proposed to be designated as an enterprise development zone.
5. The estimated total investment of the person in the enterprise development zone.
6. The estimated number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's project in relation to the amount of tax benefits estimated for the person.
7. The person's plans to make reasonable attempts to hire employees from the target population.
8. The estimated number of full-time jobs that will be filled by members of the target population.
10. The boundaries or legal description of the area proposed to be designated as an enterprise development zone.
11. Any other information required by the corporation or the department of revenue.

(c) The corporation may not accept or approve any applications or project plans submitted under par. (a) on or after March 6, 2009.

(4) DESIGNATION, CERTIFICATION AND ADDITIONAL DUTIES. (a) Except as provided in par. (h), if the corporation approves a project plan under sub. (3) and designates the area in which the person submitting the project plan conducts or intends to conduct the project as an enterprise development zone under the criteria under sub. (2), the corporation shall certify the person as eligible for tax benefits.

(c) When the corporation designates an area as an enterprise development zone for a project, the corporation shall notify the governing body of any city, village, town, or federally recognized American Indian tribe or band in which the area is located of the area's designation.

(d) The corporation shall notify the department of revenue of all persons entitled to claim tax benefits under this section, except that the corporation shall notify the office of the commissioner of insurance of all persons entitled to claim the credit under s. 76.636.

(f) The tax benefits for which a person is certified as eligible under this subsection are not transferable to another person, business, or location, except to the extent permitted under section 383 of the internal revenue code.

(g) The corporation annually shall verify information submitted to the corporation under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.

(h) No person may be certified under this subsection on or after March 6, 2009.

(5) DURATION AND LIMITS. (a) When the corporation designates an area as an enterprise development zone under this section, the corporation shall specify the length of time, not to exceed 84

months, that the designation is effective, subject to par. (d) and sub. (6).

(b) When the corporation designates an area as an enterprise development zone under this section, the corporation shall establish a limit, not to exceed \$3,000,000, for tax benefits for the enterprise development zone.

(c) Annually, the corporation shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each enterprise development zone.

(d) 1. Notwithstanding the length of time specified by the corporation under par. (a), the designation of an area as an enterprise development zone shall expire 90 days after the day on which the corporation determines that the forgone tax revenues under par. (c) will equal or exceed the limit established for the enterprise development zone.

2. The corporation shall immediately notify the department of revenue and the governing body of any city, village, town, or federally recognized American Indian tribe or band in which the enterprise development zone is located of a change in the expiration date of the enterprise development zone under this paragraph.

(6) REVOCATION OF ENTITLEMENT. (a) The corporation shall revoke the entitlement of a person to claim tax benefits under this section, and the designation of the area as an enterprise development zone shall expire, if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.
2. Leaves the enterprise development zone to conduct substantially the same business outside of the enterprise development zone.
3. Ceases operations in the enterprise development zone and does not renew operation of the trade or business or a similar trade or business in the enterprise development zone within 12 months.

(b) The corporation shall notify the department of revenue within 30 days after revoking an entitlement under par. (a).

**History:** 1995 a. 27 ss. 6936s to 6936v, 9130 (4); 1995 a. 209, 227, 417; 1997 a. 3, 27, 39; 1999 a. 9, 32; 2005 a. 25, 259; 2009 a. 2, 87; 2011 a. 32 s. 3435; Stats. 2011 s. 238.397.

**238.398 Agricultural development zone. (1)** In this section, "rural municipality" means any of the following:

- (a) A city, town, or village that is located in a county with a population density of less than 150 persons per square mile.
- (b) A city, town, or village with a population of 6,000 or less.

(2) (a) Except as provided under par. (c), the corporation may designate one area in the state as an agricultural development zone. The area must be located in a rural municipality. An agricultural business that is located in an agricultural development zone and that is certified by the corporation under sub. (3) is eligible for tax benefits as provided in sub. (3).

(b) The designation of an area as an agricultural development zone shall be in effect for 10 years from the time that the corporation first designates the area. Not more than \$5,000,000 in tax benefits may be claimed in an agricultural development zone, except that the corporation may allocate the amount of unallocated airport development zone tax credits, as provided under s. 238.3995 (3) (b), to agricultural development zones for which the \$5,000,000 maximum allocation is insufficient. The corporation may change the boundaries of an agricultural development zone during the time that its designation is in effect. A change in the boundaries of an agricultural development zone does not affect the duration of the designation of the area or the maximum tax benefit amount that may be claimed in the agricultural development zone.

(c) No area may be designated as an agricultural development zone on or after March 6, 2009.

(3) (a) Except as provided under par. (c), the corporation may certify for tax benefits in an agricultural development zone a new or expanding agricultural business that is located in the agricul-



tural development zone. In determining whether to certify a business under this subsection, the corporation shall consider, among other things, the number of jobs that will be created or retained by the business.

(b) When the corporation certifies an agricultural business under this subsection, the corporation shall establish a limit on the amount of tax benefits that the business may claim. The corporation shall enter into an agreement with the business that specifies the limit on the amount of tax benefits that the business may claim and reporting requirements with which the business must comply.

(c) No business may be certified under this subsection on or after March 6, 2009.

(4) (a) The corporation shall notify the department of revenue of all the following:

1. An agricultural development zone's designation.
2. A business's certification and the limit on the amount of tax benefits that the business may claim.
3. The revocation of a business's certification.

(b) The corporation shall annually verify information submitted to the corporation under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), 71.47 (1dm) or (1dx), or 76.636.

(5) The corporation shall adopt rules for the operation of this section, including rules related to all the following:

- (a) Criteria for designating an area as an agricultural development zone.
- (b) Criteria for certifying a business for tax benefits.
- (c) Standards for establishing the limit on the amount of tax benefits that a business may claim.
- (d) Reporting requirements for certified businesses.
- (e) The exchange of information between the corporation and the department of revenue.
- (f) Reasons for revoking a business's certification.
- (g) Standards for changing the boundaries of an agricultural development zone.

**History:** 2001 a. 16, 104; 2005 a. 259; 2007 a. 183; 2009 a. 2; 2011 a. 32 s. 3436; Stats. 2011 s. 238.398.

**238.399 Enterprise zone. (1) DEFINITIONS.** In this section:

(am) 1. Except as provided in subd. 2., “full-time employee” means an individual who is employed in a regular, nonseasonal job and who, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays.

2. The corporation may grant exceptions to the requirement under subd. 1. that a full-time employee means an individual who, as a condition of employment, is required to work at least 2,080 hours per year if all of the following apply:

- a. The individual is employed in a job for which the annual pay is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage.
- b. The individual is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.

(bm) “Personnel” means all of the following:

1. A business' employees in an enterprise zone.
2. Individuals who provide services to a business as independent contractors in this state.
- (c) “Tax benefits” means the income and franchise tax credits under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w).

(3) DESIGNATION OF ENTERPRISE ZONES; CRITERIA. (a) The corporation may designate any number of enterprise zones in this state.

(am) The corporation may not designate a new enterprise zone under par. (a) except as follows:

1. Before the corporation designates a new enterprise zone, the corporation shall notify the joint committee on finance in writing of the corporation's intention to designate a new enterprise

zone. The notice shall describe the new zone and the purposes for which the corporation proposes to designate the new zone.

2. If, within 14 working days after the date of the corporation's notice under subd. 1., the cochairpersons of the joint committee on finance do not notify the corporation that the committee has scheduled a meeting to review the corporation's proposal, the corporation may designate the new enterprise zone as proposed in the corporation's notice. If, within 14 working days after the date of the corporation's notice under subd. 1., the cochairpersons of the committee notify the corporation that the committee has scheduled a meeting to review the corporation's proposal, the corporation may designate the new enterprise zone only upon approval of the committee.

(b) In determining whether to designate an area under par. (a), the corporation shall consider all of the following:

1. Indicators of the area's economic need, which may include data regarding household income, average wages, the condition of property, housing values, population decline, job losses, infrastructure and energy support, the rate of business development, and the existing resources available to the area.
2. The effect of designation on other initiatives and programs to promote economic and community development in the area, including job retention, job creation, job training, and creating high-paying jobs.

(bm) The corporation shall specify whether an enterprise zone designated under par. (a) is located in a tier I county or municipality or a tier II county or municipality.

(c) The corporation shall, to the extent possible, give preference to the greatest economic need.

(d) Notwithstanding pars. (b) and (c), the corporation shall designate as enterprise zones at least 3 areas comprising political subdivisions whose populations total less than 5,000 and at least 2 areas comprising political subdivisions whose populations total 5,000 or more but less than 30,000. In designating an enterprise zone under this paragraph, the corporation may consider indicators of an area's economic need and the effect of designation on other economic development activities.

(4) TIME LIMITS; REPORTING. (a) A designation under sub. (3) may remain in effect for no more than 12 years.

(b) If an enterprise zone designation expires under par. (a), the corporation may designate a new enterprise zone subject to the limits of sub. (3).

(5) CERTIFICATION. The corporation may certify for tax benefits any of the following:

- (a) A business that begins operations in an enterprise zone.
- (b) A business that relocates to an enterprise zone from outside this state, if the business offers compensation and benefits to its employees working in the zone for the same type of work that are at least as favorable as those offered to its employees working outside the zone, as determined by the corporation.
- (c) A business that expands operations in an enterprise zone, but only if any of the following apply:

1. The business will increase its personnel by at least 10 percent and all of the following apply:

a. The business enters into an agreement with the corporation to claim tax benefits only for years during which the business maintains the increased level of personnel.

b. The business offers compensation and benefits for the same type of work to its employees working in the enterprise zone that are at least as favorable as those offered to its employees working in this state but outside the zone, as determined by the corporation.

2. The business makes a significant capital investment in property located in the enterprise zone and all of the following apply:

b. The business enters into an agreement with the corporation to claim tax benefits only for years during which the business maintains the capital investment.

c. The business offers compensation and benefits for the same type of work to its employees working in the zone that are at least as favorable as those offered to its employees working in this state but outside the zone, as determined by the corporation.

(d) A business that retains jobs in an enterprise zone, but only if the business makes a significant capital investment in property located in the enterprise zone and, unless the property is located in an enterprise zone designated under sub. (3) (d), at least one of the following applies:

1. The business is a manufacturer with a significant supply chain in the state, as determined by the corporation.

2. More than 500 full-time employees are employed by the business in the enterprise zone.

(e) A business located in an enterprise zone if the business purchases tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from Wisconsin vendors, as determined by the corporation.

(f) No more than one financial services technology business that, after completing a competitive corporate relocation process, retains its corporate headquarters in this state and retains at least 93 percent of its full-time employees in this state who were identified as being full-time employees of the business in the base year, as determined by the corporation.

**(5m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.** If the corporation determines that a business certified under sub. (5) makes a significant capital expenditure in the enterprise zone, the corporation may certify the business to receive additional tax benefits in an amount to be determined by the corporation, but not exceeding 10 percent of the business' capital expenditures. The corporation shall, in a manner determined by the corporation, allocate the tax benefits a business is certified to receive under this subsection over the remainder of the time limit of the enterprise zone under sub. (4) (a).

**(6) OTHER DUTIES.** (b) The corporation shall revoke a certification under sub. (5) if the business does any of the following:

1. Supplies false or misleading information to obtain tax benefits.

2. Leaves the enterprise zone to conduct substantially the same business outside of the enterprise zone.

3. Ceases operations in the enterprise zone and does not renew operation of the business or a similar business in the enterprise zone within 12 months.

(d) The corporation may require a business to repay any tax benefits the business claims for a year in which the business failed to maintain employment levels or a significant capital investment in property required by an agreement under sub. (5) (c).

(e) The corporation shall determine the maximum amount of the tax credits under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w) that a certified business may claim and shall notify the department of revenue of this amount.

(f) The corporation shall verify, under s. 238.03 (2) (e), the information submitted to the corporation by the person for the purpose of claiming tax benefits.

(g) The corporation shall adopt policies and procedures specifying all of the following:

1. The definitions of a tier I county or municipality and a tier II county or municipality. The corporation may consider all of the following information when establishing the definitions required under this subdivision:

- a. Unemployment rate.
- b. Percentage of families with incomes below the poverty line established under 42 USC 9902 (2).
- c. Median family income.
- d. Median per capita income.
- e. Other significant or irregular indicators of economic distress, such as a natural disaster or mass layoff.

2m. The definition of "significant capital investment" for purposes of sub. (5).

3. The definition of "significant capital expenditure" for purposes of sub. (5m).

**History:** 2005 a. 361; 2007 a. 20, 97, 100; 2009 a. 11, 28, 266, 267; 2011 a. 26; 2011 a. 32 s. 3437; Stats. 2011 s. 238.399; 2013 a. 20; 2013 a. 166 ss. 54, 60, 76; 2015 a. 55; 2017 a. 58, 369.

**238.3995 Airport development zones. (1) DEFINITIONS.** In this section:

(a) "Airport development project" means a business that locates or expands in an area designated as an airport development zone in this state.

(b) "Full-time job" has the meaning given in s. 238.30 (2m).

(c) "Target population" has the meaning given in s. 238.30 (6).

(d) "Tax benefits" means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).

**(2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE.** (a) Subject to pars. (c) and (e), the corporation may designate an area as an airport development zone if the corporation determines all of the following:

1. That an airport development project is desired for the area, as evidenced by a resolution of the governing body of each county, city, village, and town in which territory of the airport development zone will be located.

2. That the airport development project serves a public purpose.

3. That the airport development project will likely retain or increase employment in the state.

4. That the airport development project is not likely to occur or continue without the corporation designation of the area as an airport development zone.

5. That the airport development project will likely positively affect the area.

6. That an airport is located in the area designated as an airport development zone, that the airport has at least 2 runways at the time of the designation, and that the airport's primary runway is at least 5,000 feet in length and its secondary runway is at least 3,000 feet in length.

(b) In making a determination under par. (a), the corporation shall consider all of the following:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.

2. The prospects for new investment and economic development in the area.

3. The amount of investment that is likely to result from the airport development project.

4. The number of full-time jobs that are likely to be created as a result of the airport development project.

5. The number of full-time jobs that are likely to be available to the target population as a result of the project.

6. The competitive effect of designating the area as an airport development zone on other businesses in the area.

7. The needs of other areas of the state.

8. Any other factors that the corporation considers relevant.

(c) 1. The corporation may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone under s. 238.31, as a development opportunity zone under s. 238.395, or as an enterprise development zone under s. 238.397.

2. The corporation shall give the department of transportation the opportunity to review and comment on any proposed designation under this subsection and the department of transportation may deny any such designation if the department of transportation

determines that the designation would compromise the airport's safety or utility. The department of transportation may also review and comment on any land use or compatibility issues related to any proposed designation under this subsection.

3. A proposed designation under this subsection shall comply with all relevant local ordinances.

(d) Notwithstanding pars. (a) to (c), and except as provided in par. (e), the corporation shall designate as an airport development zone the area within the boundaries of Adams, Fond du Lac, Green Lake, Juneau, Langlade, Lincoln, Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano, Taylor, Waupaca, Wausara, Winnebago, Wood, and Vilas counties.

(e) No area may be designated as an airport development zone under this subsection on or after March 6, 2009.

**(3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS.** (a) When the corporation designates an area as an airport development zone, the corporation shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to par. (d). The corporation shall notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of the designation of and expiration date of the airport development zone.

(b) When the corporation designates an area as an airport development zone, the corporation shall establish a limit, not to exceed \$3,000,000, for tax benefits applicable to the airport development zone, except that the corporation shall limit the amount of tax benefits applicable to the airport development zone designated under sub. (2) (d) to \$750,000. The total tax benefits applicable to all airport development zones may not exceed \$9,000,000, less any amount allocated to technology zones under s. 238.23 (2) (b) and to agricultural development zones under s. 238.398 (2) (b), and except that the total amount allocated to all technology zones under s. 238.23 (2) (b) and to all agricultural development zones under s. 238.398 (2) (b), may not exceed \$6,000,000. The corporation may not reallocate amounts as provided under this paragraph on or after January 1, 2010, except that the corporation may, after 48 months from the month of any designation under this section, evaluate the area designated as an airport development zone and reallocate the amount of available tax benefits.

(c) Annually, the corporation shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each airport development zone.

(d) 1. Notwithstanding the length of time specified by the corporation under par. (a), the designation of an area as an airport development zone shall expire 90 days after the day on which the corporation determines that the forgone tax revenues estimated under par. (c) will equal or exceed the limit established for the airport development zone.

2. The corporation shall immediately notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of a change in the expiration date of the airport development zone under this paragraph.

**(4) CERTIFICATION FOR TAX BENEFITS.** (a) A person that intends to operate a place of business in an airport development zone may submit to the corporation an application and a business plan. The business plan shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.

2. The appropriate Wisconsin tax identification number of the person.

3. The names and addresses of other locations outside of the airport development zone where the person conducts business and a description of the business activities conducted at those locations.

4. The amount that the person proposes to invest in the place of business or to spend on the construction, rehabilitation, repair, or remodeling of a building in the airport development zone.

5. The estimated total investment of the person in the airport development zone.

6. The estimated number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's place of business in the airport development zone in relation to the amount of tax benefits estimated for the person.

7. The person's plans to make reasonable attempts to hire employees from the target population.

8. The estimated number of full-time jobs that will be filled by members of the target population.

10. Any other information required by the corporation or the department of revenue.

(am) A person that intends to operate a business in the airport development zone designated under sub. (2) (d) may submit to the corporation an application and a business plan that includes all of the information required under par. (a). In approving business plans submitted under this paragraph, the corporation shall give higher priority to airport development projects located or proposed to be located in areas that have a low median household income, as determined by the corporation.

(ar) The corporation may not accept or approve any applications or business plans submitted under par. (a) on or after March 6, 2009.

(b) 1. Except as provided in subd. 2., if the corporation approves a business plan under par. (a) or (am), the corporation shall certify the person as eligible for tax benefits. The corporation shall notify the department of revenue within 30 days of certifying a person under this paragraph.

2. No person may be certified under this paragraph on or after March 6, 2009.

(c) The corporation shall revoke a person's certification under par. (b) when the designation of the applicable airport development zone expires or if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.

2. Leaves the airport development zone to conduct substantially the same business outside of the airport development zone.

3. Ceases operations in the airport development zone and does not renew operation of the business or a similar business in the airport development zone within 12 months.

(d) The corporation shall notify the department of revenue within 30 days after revoking a certification under par. (c).

(e) The tax benefits for which a person is certified as eligible under par. (b) are not transferable to another person, business, or location, except to the extent permitted under section 383 of the Internal Revenue Code.

**(5) VERIFICATION OF INFORMATION.** The corporation annually shall verify information submitted to the corporation under ss. 71.07 (2dm) and (2dx), 71.28 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport development zones.

**History:** 2005 a. 487; 2007 a. 96 s. 131; 2007 a. 183; 2009 a. 2; 2011 a. 32 s. 3438; Stats. 2011 s. 238.3995.





# **WISCONSIN ECONOMIC DEVELOPMENT CORPORATION BOARD ETHICS POLICY**

## **INTRODUCTIONS**

WEDC operates and administers its economic development programs with the highest ethical standards. The guiding principle underlying this policy is that WEDC's Board of Directors must always exercise good faith in their actions related to their work for WEDC.

WEDC's Board of Directors is subject to the ethics laws in Chapter 238 of Wisconsin Statutes, and Directors may be considered State public officials subject to the State ethics code. The State's ethics code is found in Wisconsin Statutes §§ 19.41-19.59. The policy underlying the ethics code is broad:

It is declared that high moral and ethical standards among State public officials . . . are essential to the conduct of free government; that the legislature believes that a code of ethics for the guidance of State public officials . . . will help them avoid conflicts between their personal interests and their public responsibilities, will improve standards of public services and will promote and strengthen the faith and confidence of the people of this State in their State public officials . . . .

Wis. Stat. § 19.41(1). This policy statement serves as the framework for the State's ethics code and WEDC's Ethics Policy as a whole.

This Ethics Policy emphasizes transparency, outlining specifically the disclosure of potential or actual conflicts of interest through reporting to management or external agencies. Disclosure is the key to monitoring and avoiding conflicts of interest. Many times, a potential conflict of interest is harmless to WEDC and the interests of the State of Wisconsin. With disclosure, WEDC can evaluate the pertinent circumstances and minimize the likelihood of a conflict occurring.

In the event of a conflict between this Ethics Policy and Wisconsin law, Wisconsin law controls.

## **STATE OF WISCONSIN ETHIC'S CODE**

The statutory ethics code precludes Directors from:

- Entering into contracts for State funds without notice.
- Using their public position for private benefit.
- Soliciting or accepting rewards or items or services likely to influence their official duties.
- Accepting transportation, lodging, food, or beverage except as specifically authorized.
- Using confidential information to receive anything of value.

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- Using their public position to obtain unlawful benefits.
- Acting officially in a matter in which they are privately interested.

As State public officials, Directors are responsible for understanding all provisions of the statutes' ethics code. A summary is provided here.

## Director Contracts for State Funds

Unless a Director has first notified the Ethics Commission and the contracting agency, no WEDC Board member, his or her immediate family members, nor any organization with which the Director or an immediate family member has at least a 10% interest may enter into a contract with WEDC if the contract obligates WEDC to pay more than \$3000 over a 12-month period.

For purposes of the ethics code, "immediate family" is defined as a spouse, domestic partner, or a relative (by birth, marriage, or adoption) who receives, directly or indirectly, more than one-half of his or her support from a Director or from whom the Director receives, directly or indirectly, more than one-half of his or her support.

Directors must notify WEDC's CEO or Chief Legal Officer if considering a contract that falls within the scope of this law. The Compliance Team maintains a report on all such notifications.

## Private Benefit

Directors may not use their position with WEDC for financial or non-financial gain for the Director, his or her immediate family, or an organization with which the Director is associated. For purposes of the ethics code, a Director is "associated" with an organization when the Director or a member of the Director's immediate family is a director, officer, or trustee, or owns or controls, directly or indirectly, at least 10% of the outstanding equity, or the Director or a member of the Director's immediate family is an agent or representative of the organization.

## Acceptance of Gifts or Rewards

Directors may not accept or solicit anything of value from a person or entity if it could be reasonably expected to influence their actions related to their position with WEDC, or construed as a reward for their actions.

## Athletic Events

Directors may not accept or purchase a discounted ticket or admission to an event or access to a loge, skybox, or premium area unless the ticket, admission, or access (1) cannot reasonably be expected to influence his or her vote, judgment, or any official action; (2) cannot be reasonably considered a reward for any official action or inaction;

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and (3) is offered for a reason unrelated to his or her position as a Director, or is available to the general public on the same terms and conditions.<sup>1</sup>

There are exceptions to these restrictions. Directors may attend an athletic event at no cost or on terms not available to the public if WEDC authorizes his or her participation in the event for economic or business development purposes on behalf of the States. It is considered a benefit to the State if there is a substantial, well-articulated government purpose for attending the event; or if the event is a prominent, public ceremonial activity and any private benefit is merely incidental to the government purpose. In addition, Directors may accept a ticket, admission, or access when, in the rare event, it is of no pecuniary value.

## Transportation, Lodging, Food, and Drinks

Directors may not accept transportation, lodging, meals, food, or drinks unless one of the following exceptions apply:

- The activity for which the items are provided or reimbursement is received is entirely unrelated to the official's position as a Director and payment did not arise from the official's position.
- The items (or payment) are related to expenses for a speaking engagement or other event, or a publication about the operations of and issues related to State government; and the items (or payment) are provided by the organizer of the event or the publisher.<sup>2</sup>
- The items are accepted on behalf of the State and are for the State's benefit.

Payment or reimbursements for the above expenses may not exceed the expenses incurred by the Director.

## Statement of Economic Interest

Directors are required to file an annual Statement of Economic Interest with the Ethics

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<sup>1</sup> Complimentary or reduced-price tickets for University of Wisconsin System athletic events also must be permitted by the rules of intercollegiate athletics conferences of the institution participating in the event and approved by the chancellor.

<sup>2</sup> These requirements are not intended to dissuade individuals from engaging with the public. In fact, the ethics code specifically encourages officials to meet with and speak to special interest groups, political groups, school groups, clubs, and other public organizations and meetings to discuss official business.

Commission. The first year's Statement is due to the Ethics Commission within 21 days of nomination (unless a Statement has been filed previously by the nominee) and all subsequent Statements are due by April 30. Questions about Statements of Economic Interest must be directed to the Ethics Commission.

Directors must include in their Statement of Economic Interests each organization or person that provided to him or her any item valued at more than \$50.

## Disclosing Confidential Information

Under no circumstances should Directors disclose confidential information. In particular, the Ethics Code provides that Directors may not use or disclose confidential information in any way that could result in a benefit gained by the official, his or her immediate family, or an organization with which the official is associated.

## Campaign Contributions

Directors may not offer a vote or influence on a matter in exchange for a contribution or service for the benefit of a candidate, political party, or any person making a communication that contains a reference to a clearly identified State elected official or candidate for public office.

## Unlawful Benefits

Directors may not use their position to influence or receive unlawful benefits, advantages, or benefits for anyone.

## Private Interests

The ethics code precludes Directors from involvement in any official action on matters that could be reasonably expected to result in a substantial benefit, or for which there exists a substantial financial interest<sup>3</sup>, for the Director, the Director's immediate family, or an organization with which the Director is associated.

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<sup>3</sup> A substantial financial interest is not defined by Chapter 19. The Government Accountability Board indicated a financial interest is considered substantial if it is "of more than token or inconsequential value." While a substantial financial interest is determined on a case by case basis, the Government Accountability Board determined that a salary or an ownership interest that amounts to "several thousands of dollars" constitutes a substantial financial interest.

## **WEDC CONTRACTS WITH WHICH DIRECTORS HAVE A FINANCIAL INTEREST**

In addition to the State ethics code, Directors are subject to the conflicts of interest requirements in Wis. Stat. § 238.046. In their capacity as Directors, this law prohibits the Director from involvement with an award if the Director has a financial interest in the contract for that award.

Directors must promptly disclose to WEDC's Chief Legal Officer or CEO any direct or indirect, private, pecuniary interest in a contract that is being negotiated, bid for, or entered into with WEDC. In the event it is determined that the potential conflict of interest falls within the scope of the statute as a direct or indirect, private, pecuniary interest, the Director must refrain from any discussions or actions on the award. If at a Board or committee meeting, the minutes will reflect the Director's abstention from voting. The Chief Legal Officer or CEO will ensure appropriate measures are taken for recusal and reporting to the Board.

For purposes of this policy, pecuniary interests, as defined in Wis. Stat. § 946.84(4)(a), can include "...anything in the form of money, a negotiable instrument, or a commercial interest or anything else the primary significance of which is economic advantage."

## **CONTRIBUTIONS**

The Board may accept contributions amounting to more than \$25,000 for the benefit of WEDC. WEDC Bylaws limit the CEO's authority to accept contributions to those amounting to \$25,000 or less in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights or indebtedness. The Board may accept contributions amounting to more than \$25,000 for the benefit of WEDC.

The Legal & Compliance Team reports contribution to the Board annually.

## **WEDC SPONSORED ECONOMIC DEVELOPMENT EVENTS**

State law expressly allows WEDC to solicit and receive, on behalf of the State, anything of value if related to:

- Sponsorship of a trip to a foreign country primarily to promote trade and is for the benefit of the State;
- Host an event to promote business, economic development, tourism, or governmental conferences sponsored by multistate, national, or international associations.

Directors may, in turn, accept from WEDC anything of value that WEDC is authorized

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to provide under this particular statutory exception.

WEDC annually reports to the Ethics Commission on any funds received for these purposes.

## **VENDOR AGREEMENTS**

All vendor contracts must comply with WEDC's Procurement procedures with regard to conflicts of interest and include a conflicts of interest provision.

If a potential conflict of interest is disclosed or discovered, a determination will be made as to the nature of the interest and what action needs to be taken to protect against or alleviate the conflict.

## **LOBBYING REGULATIONS**

WEDC is an "agency" under Chapter 13 of the Wisconsin Statutes but employees are not "agency officials." This means the only lobbying regulation that applies to WEDC is the requirement to file an annual Legislative Activities Statement. WEDC is required to file a semi-annual Report on Legislative Activities of State Agencies.

## **NONCOMPLIANCE**

Concerns about a Director not complying with this policy should be directed to WEDC's CEO or Chief Legal Officer. The Chief Legal Officer will diligently investigate the claim, which must include an interview with the Director claimed to have not complied. The Chief Legal Officer will then prepare a recommendation to the Board on whether a violation has occurred and the appropriate response. The Director claimed to have not complied will have an opportunity at the same Board meeting to respond.

If a Director does not comply with this policy, then the Board of Directors may take appropriate disciplinary and corrective action, which may include reporting to the Director's appointing authority or the Ethics Commission. Directors that violate the State's ethics code may be subject to the penalties described therein, which may include civil fines and imprisonment. Wis. Stat. §§ 19.579-58.



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## **A Guide to the Open Meetings Law for the Wisconsin Economic Development Corporation**

Meetings of the Board of Directors of the Wisconsin Economic Development Corporation are subject to Wisconsin's open meetings law. The Board's meetings must be announced with at least twenty-four hours notice, two hours under extenuating circumstances, and open to the public. Meetings, or portions of meetings, may be closed if the topic being covered falls within a statutory exception.

This manual outlines the scope of the open meetings law, the notice required in advance of a meeting, the circumstances under which a meeting may be closed, the requirements for a closed session, and penalties for violating the law. Following the more detailed outline is a summary intended to be used as a quick reference before and at Board meetings.

As a foundational matter, the policy underlying the open meetings law is that the public is entitled to the fullest information available about the operations of its representative government. The law is interpreted broadly in favor of transparency.

### ***The Scope of the Open Meetings Law***

The open meetings law applies to every meeting of "members of a governmental body for the purpose of exercising the responsibilities, authority, power or duties delegated to or vested in the body." Wis. Stat. § 19.82(2). This means that the law applies to a convening of Board members where (1) there is a purpose to engage in the official business of the Board and (2) the number of Board members present is sufficient to determine the Board's course of action, whether to affirmatively act or block an action. If half of the Board members are present, the law presumes the open meetings law applies.

The Board's official business includes any formal or informal action. It includes discussion, decision making, or information gathering on matters within the Board's scope of authority. In addition, meetings among non-Board members may be covered by the open meetings law if the Board creates a group – for example, among management of WEDC – and directs the group to advise the Board.

The law applies to meetings held in any forum. In person meetings must be accessible to the public. Phone conferences can be broadcast to the public in a conference room where a Board member or employee of WEDC is located.

Because email correspondence cannot be opened to the public for observation,<sup>1</sup> Board members should *not* use email – or any other electronic

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<sup>1</sup> Emails are subject to disclosure under the public records law. The difference is that the public cannot be a part of the email discussion while it is happening as required under the open meetings law.



communication including text messaging – to communicate about official Board matters. If the requisite number of Board members is included in an email message, an unlawful meeting may unintentionally occur.

The open meetings law does not apply when Board members convene socially.

### ***Advance Notice***

Each meeting of the Board must be preceded by notice provided by the Chair or the Chair's designee. Wis. Stat. § 19.83(1). The notice must be given to the public by posting the notice in one or more places likely to be seen by the general public, the official newspaper designated by state statute, and any other news media that have submitted a written request for a notice. Posting the notice online may supplement other methods but may not be the only method of noticing the public. The accompanying quick reference guide provides more specific information on posting the notice.

The notice must give the time, date, location, and subject matter of the meeting, including any matter intended for consideration during a contemplated closed session. Wis. Stat. § 19.84(2). The open meetings law requires the notice to inform the public of the meeting's agenda items, with sufficient specificity that a person interested in a topic would be made aware that the topic will be discussed. If the Chair or the Chair's designee is aware that a closed session is anticipated, the notice must also include that information along with the subject matter proposed to be discussed in closed session. The Board may not discuss matters – in an open or closed meeting – that are not listed on the notice.

The notice must be provided to the public and media at least twenty-four hours before the meeting begins. Wis. Stat. § 19.84(3). Sundays and legal holidays are not counted. This means notice for a Monday meeting could be provided on the preceding Saturday, not on Sunday. Under extenuating circumstances where twenty-four hour notice is impossible or impracticable, a meeting may be held when preceded by a shorter notice but no less than two hours. The Board should consult with WEDC's legal counsel before holding a meeting on less than twenty-four hours notice.

### ***Ballots, Motions, and Roll Call Votes***

The open meetings law prohibits the use of secret ballots except for the election of officers of the Board. Wis. Stat. § 19.88(1). In addition, if a member of the Board requests that each member's vote on a matter be recorded, a voice vote or vote by a show of hands is not permissible unless the vote is unanimous and the minutes reflect the Board members present for the vote. Wis. Stat. § 19.88(2). Emails *cannot* be used to decide matters.

The Board must record and preserve a record – through minutes, for example – of all motions and roll-call votes at meetings, which must be open to public inspection under the public records law. Wis. Stat. § 19.88(3). This requirement on recording votes applies to open *and* closed meetings.

### ***Closed Sessions***

All meetings of the Board must be open unless an exception applies. The open meetings law includes limited exceptions to the general rule of transparency. All exceptions require balancing the public policy reasons for closing or keeping a meeting open.

Because of the presumption that meetings are open and the fact specific nature of the exceptions, no Board meeting should be closed without first consulting with WEDC's legal counsel. In addition, Board members and counsel should keep in mind that there may be topics for which the discussion must be divided between an open and closed meeting because portions of the topic are not covered by one of the exceptions.

The Board should vote in open session unless the vote is an integral part of or would compromise the deliberations held in closed session.

The exceptions most likely to apply to Board meetings are:

**Discussions Closed for Competitive or Bargaining Reasons.** The Board may convene in a closed meeting to “deliberat[e] or negotiat[e] the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.” Wis. Stat. § 19.85(1)(e). This exception to the open meetings law applies to circumstances where confidentiality is *required*. For example, a closed meeting may be required when discussing a negotiation strategy or the terms of an offer, information about a company that constitutes a trade secret or has competitive value, or to protect WEDC's bargaining position in a deal. *Citizens for Responsible Development v. City of Milton*, 2007 WI App 114, ¶ 19, 300 Wis. 2d 649, 731 N.W.2d 640; Katayama Correspondence, Jan. 20, 2006 (DOJ Correspondence); *Herro v. Village of McFarland*, 2007 WI App 172, ¶ 19, 303 Wis. 2d 749, 737 N.W.2d 55. A request by a party with whom WEDC is doing business for confidentiality is not sufficient reason alone to close a meeting.

**Conferring with Legal Counsel.** Discussions with WEDC's legal counsel that constitute attorney-client communication can be held in a closed meeting. Wis. Stat. § 19.85(1)(g).

**Significant Personal Information.** Meetings may be closed when the Board is considering “financial, medical, social, or personal histories or disciplinary data of specific persons” *and* those discussions, if open to the public, “would have a substantial adverse effect on the reputation of the person at issue.” Wis. Stat. § 19.85(1)(f).

**Employee Matters.** The Board may close a meeting to consider “employment, promotion, compensation or performance evaluation data of any public employee.” Wis. Stat. § 19.85(1)(c). This exception is limited to discussions about a specific employee. It does not cover discussions about personnel matters generally, such as compensation levels. 80 Op. Att’y Gen. 176 (1992). Nor does the exception apply to appointments of board members to committees. Those discussions and decisions must be open. 76 Op. Att’y Gen. 276 (1987).

**Employee Discipline.** In addition to the above employment matters, the Board may also hold a closed meeting to consider dismissal, demotion, or discipline of an employee, or the investigation of charges against that person. Wis. Stat. § 19.85(1)(b). The Board may also close a meeting for preliminary consideration of personnel problems, or an investigation or charges against specific individuals where a dismissal, demotion, or discipline is considered *and*, again, an open discussion would have an adverse effect on the reputation on the person involved. Wis. Stat. § 19.85(1)(f). However, if the Board intends to hold an evidentiary hearing or make a final decision on a disciplinary matter, the employee must be given advance notice and may demand that the hearing or the final action be discussed in an open meeting. Wis.



Stat. § 19.85(1)(b). Note that the employee may not demand that the meeting be closed. Only members of the Board may move a meeting into closed session.

### ***Reconvening in an Open Meeting***

The Board cannot reconvene in an open meeting for at least twelve hours after completing the closed meeting, unless the subsequent open meeting had been properly noticed before the closed meeting. Wis. Stat. § 19.85(2).

### ***Penalties***

Board members who knowingly attend a meeting in violation of the open meetings law must pay a forfeiture of \$25 to \$300 for each violation in addition to court costs. However, a Board member will not be fined if he or she voted against the closed meeting. Wis. Stat. § 19.96. In addition to forfeitures, a court may void any action taken at an impermissibly closed meeting, or grant any other relief the Court determines is warranted. Wis. Stat. § 19.97.



**Quick Reference Guide to the Open Meetings Law  
for the  
Wisconsin Economic Development Corporation**

**Application.** The open meetings law applies to *all* meetings of the Board on official business. If at least half of the Board members have convened, the law presumes the meeting is subject to the open meetings requirements. The law does not, however, cover social or chance meetings that occur without intent to avoid the law.

**Email.** Board members should *not* conduct official business with one another through email communication because those communications may be subject to the open meetings law.

**Notice.** The Chair of the Board, or his or her designee, WEDC's Chief Legal Officer, must provide notice of the meeting at least 24 hours in advance, not including Sunday or holidays. That notice must include the time, date, location, and an agenda of the meeting. The notice should be

- submitted to the Wisconsin State Journal (as the official state newspaper),
- submitted to any other media outlet that has filed a written request for receipt of the notice,
- posted on the Assembly bulletin board,
- provided to the information desk at the capitol,
- distributed to the mailboxes in the capitol's press room (there are 28), and
- posted on WEDC's website.

**Closed Session.** The Board may hold a closed meeting to discuss the following types of matters<sup>2</sup>:

- Conducting public business, including investing public funds, when competitive or bargaining reasons require the meeting be closed.  
*Wis. Stat. § 19.85(1)(e).*
- Conferring with legal counsel on legal advice. *Wis. Stat. § 19.85(1)(g).*
- Financial, medical, social, or personal information of a specific person that would have a substantial adverse effect on the reputation of the person at issue.  
*Wis. Stat. § 19.85(1)(f).*
- Employment, promotion, compensation, or performance evaluation of a specific employee. (This does not include appointments on the Board.) *Wis. Stat. § 19.85(1)(c).*
- Dismissal, demotion, or discipline of an employee. *Wis. Stat.*

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<sup>2</sup> This list is not exhaustive but includes only the exceptions that are likely to apply to the Board.





§ 19.85(1)(b).

- Preliminary consideration of specific personnel problems or the investigation of charges against a specific person. *Wis. Stat. § 19.85(1)(f).*

**Procedure for Closing.** To close a meeting, the following steps must be followed:

- The Board must convene in open session.
- A member of the Board must move the Board to convene in closed session, describing the nature of the business to be discussed.
- The Board's Chair must reiterate the specific nature of the business to be discussed while closed and the statutory exception under Wis. Stat. § 19.85(1) that authorizes a closed meeting. For example, the Chair may state: *The Board now needs to enter into a closed session under Wis. Stat. § 19.85(1)(e) to discuss negotiations with a specific company on an offer by WEDC of financial support to that company. We must close the meeting to protect the State's bargaining position and the public's interest in maintaining the competitive nature of administering public resources for particular projects that have not been publicly announced. Or: The Board now needs to close its meeting under Wis. Stat. § 19.85(1)(c) to discuss the employment and compensation of a specific WEDC employee.*
- The announcement must be recorded in the meeting's minutes.
- The motion to convene in closed session must pass by a majority of Board members present.
- The votes of each Board member must be recorded in the minutes unless the motion is unanimous.

The Board may discuss only the matters included in the Chair's announcement preceding the closed meeting.





## **A GUIDE TO PUBLIC RECORDS LAW FOR THE WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**

WEDC is subject to the public records law. This guide is intended to be a general resource for WEDC board members on the parameters of the law and how WEDC generally responds to public records requests.

Wisconsin's public records law provides requesters broad access to inspect or obtain records maintained by the State. The law embodies Wisconsin's commitment to transparency and open government: "It is declared to be the public policy of this state that all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those officers and employees who represent them." Wis. Stat. § 19.31.

On March 11, 2016, Executive Order #189 was issued, which directed state agencies to implement certain best practices in the areas of customer service to requestors, tracking of requests, clarity on costs, and staff training.

On March 9, 2017, Executive Order #235 was issued, which directed state agencies to report public records metrics, post open meeting notices and minutes to the Wisconsin public notice website and provide public records trainings to employees and board members.

WEDC has implemented into its practices all the requirements under Executive Orders 189 and 235.

### **THE SCOPE**

The scope of Wisconsin's public records law is broad. The presumption is that any materials prepared by, kept by, provided to, or created for WEDC are subject to public disclosure.

Records that must be disclosed unless an exception applies include:

- typed, printed, and handwritten documents,
- emails,
- text messages,
- maps and charts,
- pictures,
- tapes, optical disks, and any other similar device for storage
- video and audio recordings, and
- electronically stored records.

Materials that may not be subject to disclosure include:

- records relating to pending grants, loans, or economic development projects that must remain confidential to protect the competitive nature of the grant, loan, or project;
- personal records with no relation to the person's official position;

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- drafts, notes, preliminary documents, and similar materials prepared for the originator's personal use or by the originator in the name of a person whom the originator is working;
- publicly available published materials;
- materials with limited access due to copyright; and
- identical copies of an otherwise available record.

## DESIGNATIONS

WEDC's Records Custodian under Wis. Stat. § 19.33 is Chief Legal Officer. The Deputy Records Custodian is Staff Counsel. WEDC's Records and Forms Officer under Wis. Stat. § 15.04(1)(j) is Records Manager.

Staff must refer public records requests to WEDC's Chief Legal Officer or Staff Counsel.

Questions about records retention, organization, and storage must be directed to the Records Manager.

## THE LOGISTICS OF AN OPEN RECORDS REQUEST

Requestors may make a records request in any format desired – by phone, email, letter, etc. Although requestors generally use WEDC's online request form, the request does not have to be in writing.

A sufficient request must meet certain statutory requirements. The request must be reasonably specific as to the subject matter of the request and the length of time involved. The public's right to access only applies to records that exist at the time of the request. WEDC is not obligated to create documents to respond to a particular request or comply with continuing request for future records.

Every request is acknowledged within one business day of receipt. Each record will be examined by the records custodian or deputy records custodian to determine whether the record will be released and if any redactions are required. A written explanation with specific legal authority will accompany any decision to partially or fully deny a request.

The records custodian and deputy records custodian maintains a tracking system in Salesforce to track all public records requests. The records custodian, deputy records custodian, and communications manager meet regularly to review pending requests. The records custodian or deputy records custodian will coordinate with other agencies' records custodians when fulfilling requests that relate to multiple agencies.

WEDC must respond to a public records request "as soon as practicable and without delay." Wis. Stat. § 19.35(4)(a). Responding in a timely manner to requests is always a priority and staffing will be managed accordingly.

WEDC may charge the actual and necessary costs for locating and providing records. Location costs may only be charged if they exceed \$50. Requestors will not be charged for providing an electronic copy of an electronically kept record, e.g. emails. Requestors will be charged the cost of physical medium:

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- Paper copies: \$.0135 per black and white page and \$.0632 per page for color pages for necessary copies of paper documents.
- DVD: \$.13 per 4.7 GB DVD
- Flash drives:
  - \$5.02 (8 GB)
  - \$6.53 (16 GB)
  - \$10.08 (32 GB)
  - \$18.52 (64 GB)
  - \$32.21 (128 GB)
  - \$53.81 (500 GB)
  - \$60.14 (1 TB)
  - \$74.83 (2 TB)

## EXCEPTIONS TO DISCLOSURE

The Wisconsin State Statutes contain exceptions that apply broadly and to specific state entities. Exceptions to disclosure may include:

- Records related to pending awards
- Trade secrets
- Limited personnel information
- Sensitive Information, such as social security numbers, personal phone numbers, etc.

When relying on an exception to a request, WEDC must explain to the requestor the specific and sufficient legal basis for redacting information from a record or determining that a record cannot or should not be disclosed in its entirety.

## PENALTIES

If a member of the public believes WEDC unlawfully failed to disclose a requested record, he or she may file a mandamus action under Wisc. Stat. § 19.37 to ask a court to order a release of the record or ask the local district attorney to file a lawsuit demanding the release of the record. The requestor may be awarded attorneys' fees, costs, and damages if he or she prevails.

**From:** [Jennifer Jin](#)  
**To:** [Brennan, Joel - DOA](#)  
**Cc:** [Erika Julsrud](#)  
**Subject:** Re: Materials  
**Date:** Sunday, January 27, 2019 3:26:14 PM  
**Attachments:** [image001.png](#)

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Excellent. Please let us know if there is anything else that we can help with.

Get [Outlook for iOS](#)

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**From:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Sent:** Sunday, January 27, 2019 3:24 PM  
**To:** Jennifer Jin  
**Cc:** Erika Julsrud  
**Subject:** RE: Materials

Looks like I received everything. Thanks.



**JOEL BRENNAN** | Secretary  
Department of Administration  
[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)  
Phone: (608) 266-1741



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**From:** Jennifer Jin <[jennifer.jin@wedc.org](mailto:jennifer.jin@wedc.org)>  
**Sent:** Sunday, January 27, 2019 3:22 PM  
**To:** Brennan, Joel - DOA <[joel.brennan@wisconsin.gov](mailto:joel.brennan@wisconsin.gov)>  
**Cc:** Erika Julsrud <[erika.julsrud@wedc.org](mailto:erika.julsrud@wedc.org)>  
**Subject:** Materials

Secretary Brennan,

You should have received 3 emails with materials for the upcoming Board meeting and 4 emails with Board Governance materials. Please let us know if you did not receive one of the emails and we will resend.

Thanks,  
Jenn